MANUFACTURING
FURNITURE

1975 - 1978

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Training for factory men

STAR 12/6/75

Labour Reporter

The furniture industry has announced a comprehensive training programme for its 30 000 workers, most of whom are African, Indian and Coloured people

"The intention is to set up training schemes to cover all employees — from the learner right up to the manager," Mr Sias Odendaal, the Furniture Training Board's director, said in Johannesburg.

"In doing so, the industry accepts its responsibility to raise workers' standards of living and to make them more productive," he said.

The training board, established about two months ago and representing employers, trade unions and educational authorities, is now looking for experts to implement its training programme.

At factory level, existing supervisory staff are to be trained to act as in-company trainers, but the bulk of training is to be arranged through existing cluding the Government-sponsored industrial training centres for Blacks

At the same time, efforts are being made to revamp the industry's apprentice training scheme.

Small companies, which constitute more than half the industry, are to share training facilities which they would not be able to administer on their own

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Furniture trade dispute for arbitration

C T. 12/6/75

By DAVID DOUGLAS

THE FEDERATION of Furniture Trade Unions has declared a dispute with the employers and is to go to arbitration. The main points at issue are increased wages, a more realistic provident fund and an improvement in holiday contributions by the employers.

Mr J F Klopper, general secretary of the federation, said that they had had three attempts to get satisfaction, but their proposals had been turned down.

"We feel we have a good case. We have offered a package deal, which not only asks, but gives. For example, we have been willing to a type of dilution, which will allow labourers to do some work previously handled by journeymen "

The employers, through Mr I Ospovat of Cape Town, had made counter proposals, which had not been acceptable and as a last resort the federation had decided to go to the Industrial Tribunal for a ruling

Briefly, the employers had offered an increase in wages of 10 percent the first year and five percent in the second. The present wage for a qualified man is R46,64. The unions have asked for 10 percent in each year.

They want the employers to increase the present holiday contribution of 12½ percent to 15 percent of gross earnings. At present 12½ percent is paid for a 44-hour week and five percent for less than this.

The unions have asked for 15 percent for a 44-hour week, 10 percent for 43½ hours to 44 hours and five percent for less than 43½ hours.

On the issue of the provident fund Mr Klopper felt there was a specially good case, as the employers were still paying 70 cents a week, the same as the seven shillings paid when the fund was started, based on the wage in 1953

THE WAGES

"The wages were then £7, which meant they paid out seven shillings Now the wage is double but the contribution is still only 70 cents, which is about 1,5 percent. The employee puts five percent of his earnings into the fund weekly.

"This agreement still has some years to run, but we feel it is rather unfair and we are asking for equal contributions We are willing to have their contribution to be four percent from July 1 and five percent from July next year," Mr Klopper said.

He pointed out that the increases on wages asked were less than the current rise in cost of living.

The consumer price index shows that the food index, which is the most important for workers, had risen in one year from 141,1 to 168 The index for all items rose from 134 to 155,5 points in the same year.

The workers had agreed in their package deal to accept the 10 percent the first year and five percent the second basis for wages, provided they got their 2½ percent increase in holiday pay and their provident fund proposals, but the employers had refused

"This means we have a deadlock and must go to arbitration We are trying to meet them, and at the same time provide incentive for workers to work more steadily "

The employers had put in some counter-proposals about the agreement, including the redefinition of foremen as chargehands.

The unions in the Federation are the National Union of Furniture and Allied Workers, which is in the Cape with about 3 400 workers, and is largely Coloured, and the National Association of Furniture and Allied Workers, the White union.

Most employers in the Transvaal and Natal had been agreeable to the proposals, but the snag had come from the Cape where they were turned down flat, Mr Klopper said

Furniture pay offer details

C.T. 13/6/73

By DAVID DOUGLAS

THE CAPE Furniture Manufacturers' Association, which has 3 630 workers in the Western Cape, so far from not being willing to meet the trade unions, has arranged to pay a new scale of wages from July 1, which will add R630 000 a year to the wage bill and another R77 500 in extra holiday benefits.

Mr I Ospovat, chairman of the association, said yesterday that there had been a series of meetings between the employers and union representatives.

Proposals made by the employers were turned down by the union men and the matter will have to go to arbitration

The union, he said, had asked for journeymen to get a new operatives scale, which would, in effect, have added about 84c to the weekly pay packet. The employers made a counter proposal which did not want operatives, but for all journeymen to continue, and suggested instead of the present R46,64 wage one of R51,50 in the first year and R54 in the second, with all scales in proportion and with a ripple effect.

HOLIDAY PAY

"Cape Town compares more than favourably with all other centres," he said.

The union had asked for holiday pay to be increased from the 12½ percent, which, in effect, is equal to 6¾ weeks' pay for the three weeks' holiday, including the payment for Christmas and New Year which is given, to 15 percent. The employers have been unable to agree to this, which would amount to eight weeks' pay for the three weeks' holiday.

PROVIDENT FUND

However, the new wages they were to pay would push up the holiday pay.

There was also disagreement about reclassifying foreman as chargehands, for they were regarded as being in a difficult position, and were on monthly salaries.

"They cannot serve two masters at once," he said.

On the provident-fund issue, Mr Ospovat said that the employers were willing to increase their contribution to 4 percent, and for workers to pay 4 percent He agreed that at present the employers paid only 70c.

The new wage scale, proposed by the employers and which they intend to put into practise from July 1, will mean that everyone will get at least R4,86 a week more

"We feel our counter proposals are generous and fair, and the gentleman's agreement we are to put into effect no matter what the arbitration says, was purely voluntary," he said

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Training plan bothers furniture men

Sun Times (Bus Times) 28/9/75

By DAVID PINCUS

FEARS that a training scheme, which enforces job reservation for Africans, will lead to a shortage of skilled workers in the furniture industry when the good times return, has led to a number of furniture manufacturers condemning it

The scheme will have to be enforced by all manufacturers, except those in the Cape and in the Free State, and lays down methods of training Whites, Coloureds and Asians to become artisans in the furniture industry, but specifically bars Africans

Paradoxically, some of those who are now condemning the scheme privately ("nothing for publication, you understand?") not only assisted in formulating policy, but realised the possible harm it could do only about a month ago And they will have to wait until January 1977 before they can . do anything about it

Explaining his opposition to the scheme, one manufacturer, whose name may not be quoted, said "The way the training scheme will be published makes it an absolute waste of both time and money It is designed to protect the jobs of Whites, Coloureds and Asians in the industry, but makes no provision to train Blacks to do any of the better, more skilled jobs in the industry — when it is obvious that in a few years the industry will have to rely almost exclusively on African skilled labour

"Until about six years ago the industry was staffed by White skilled workmen, but then they moved out and were replaced by Coloureds and Asians. Now they are moving out to better, pleasanter jobs and we are now beginning to experience shortages of skilled men.

"We must train Africans now to take over from the Coloureds and Asians. There is no reason why we cannot do that. The Government has adopted an attitude where it allows industry to use Blacks when workers from other racial groups are not available,

"I believe that Africans are more reliable. On some Mondays we have up to a 20 per cent absenteeism among our Coloured workers. Absenteeism among our African workers, who are limited to doing the more menial jobs, has never come anywhere near that figure."

Training

The manufacturer said there was nothing to stop an employer training Africans as journeymen, "except for the fact that, in terms of our agreement, we may only employ members of trade unions as journeymen. And Blacks are not allowed to join either of the two trade unions, one for Whites only, the other for Coloureds and Asians.

"We must plan now for the future. The present bad times cannot last for ever. There could be a dramatic improvement in the economy by the middle of next year which will simultaneously create a large increased demand for furniture and create a host of new, attractive jobs outside the industry which will appeal to our existing Coloured and Asian workers. Where will furniture manufacturers be then, if they cannot train Africans now to replace Coloured and Asian workers?"

Sias Odendaal, the director of the Furniture Industry Training Board, which was established to draw up and administer the new scheme, took a different tack, when he said:

"The scheme does not provide for the training of Africans. Its basic concept is to provide training to get the needs of the in- . and we must accept terms of the In- -ncil agreement

Africans are not entitled to do specific jobs in the industry There's no point in training them to do jobs they won't be allowed to do That would be an absolute waste of money

"We will, however, train Africans to do the jobs they are allowed to do here and in the Border areas"

Mr Odendaal agreed that Africans will have to take over skilled jobs in the furniture industry, if it is impossible to get Whites, Coloureds and Asians, but added "Now that the Coloureds are moving out of the industry it does not mean that we have exhausted the resources of the Coloured population in South Africa"

"Coloureds and Asians are being born every day and there are large numbers of young Coloureds and Asians who would like to make their careers in the furniture industry, provided we can train them properly and assure them that we will pay them properly

"We are not going to train Africans so that they can push the Coloureds out of the industry Because of job evolution, we must accept that eventually Africans will come into the industry in skilled positions We mustn't try to revolutionise the industry by pushing them in and pushing Coloureds and Asians out.

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Furniture's armchair approach

FM. 22/10/76

SA's furniture industry seems to be nodding off across a kind of mental settee It needs to wake up.

With retail sales topping R750m — 16% of total retail sales — the industry employs 10 800 workers (6 500 Blacks) at 548 sites in the Transvaal alone

A report, published today, from the National Productivity Institute (NPI) in Pretoria, highlights some of the problems.

The report, *Productivity of the Furniture Industry in SA*, is based on discussions with 27 furniture manufacturers, and makes gloomy reading.

The NPI lashes out at existing training methods (if they can be called that) and demands fresh thought if the industry is to meet the challenges of the late Seventies. They'll include changing consumer patterns (from high priced to low priced merchandise), against a backdrop of ooming unemployment plus Coloured and Indian union unrest

What else has the survey to say?

- Bad debts are soaring. The group weighted average investment in debtors per R1 000 sales ranges from R250 to R399. Other sources believe that bad debts in the industry now amount to R27,5m, or 3,7% of total sales
- There is scope for the doubling of present productivity. Only approximately 50% of operators' time is spent on the job.
- As far as recruitment of personnel is concerned, management shows, to quote NPI, an "unconcerned attitude"

Few companies, even the larger ones, bother to recruit personnel on other than "an ad hoc" basis

Few companies bother to consider a manpower requirement Most of the labour recruited is later found to be unsatisfactory

"The survey teams feel that the selection procedures used in the companies visited were not sufficient to provide them with good quality labour," it adds

Labour's not too happy, either. Turnover is appallingly high, in some cases 50% per annum

The biggest complaint from workers concerns training Most companies regard it as a waste of time To quote NPI, they see it as "an expensive scheme which may not yield an economic return on investment"

"Sit by Nelly" training methods are still used throughout the industry and an alarming 14% of the companies could not remember one of their apprentices passing a trade test.

Only one manufacturer blamed his training system for the failures, while the others blamed the youngsters, the technical colleges and test procedures at Olifantsfontein, Johannesburg

Manufacturers revealed that 28% of journeymen are not yet competent Little is being done to remedy the situation What's more scarey is that White on-the-job workers don't want to better themselves, learn to use modern machines or cope with new techniques

The position *vis a vis* supervisors is no better

- 7% were trained by outside companies.
- 44% were trained within the companies, but only after promotion had been decided
- 27% of management interviewed saw no need for the training of supervisors

And — wait for it — most managers think 70% of their foremen are incompetent

The NPI report, the eighth of its kind from the Pretoria organisation on industry, will cause a stir throughout the rather sluggish furniture industry And that's a hard hit one at the moment Parker-Knoll MD Gerry Mulford sums it up "We've had a quieter year than normal but that's true throughout the industry Buyers are switching from high priced to low priced merchandise"

But still there's no crisis, largely thanks to the recession, says Sias Odendaal director of the Furniture Industry's Training Board in Johannesburg He says there's hope for the future and it lies in a new apprentice training scheme, scheduled to start next year Meanwhile, apprentice recruitment figures have slumped from 125 in 1971 to 26 this year

Odendaal calls for a more streamlined approach to training from management offices to the factory floor

Meanwhile, battle ranges between two furniture organisations, the White-orientated National Association of Furniture & Allied Workers and the Coloured and Indian orientated National Union of Furniture & Allied Workers. The latter has just pulled out of TUCSA, allegedly because employers want to see more Blacks in skilled jobs.

In June there were reports that the industry was short of 1 000 men in the Transvaal. Not so, says Mohan Lalaran, national secretary of the NAFAW "There is no shortage. There are hundreds of potential apprentices with around 100 Coloured artisans out of work at the moment."

With mounting Black unrest and unemployment, Coloured intransigence and a furniture industry slump, the NPI survey comes just at the right time.

Fin Mail 5/11/76 188

afcol

ASSOCIATED FURNITURE COMPANIES LIMITED

(Incorporated in the Republic of South Africa)

INTERIM REPORT FOR THE SIX MONTHS ENDED 30th SEPTEMBER 1976

1 Group Earnings and Dividends

The unaudited group earnings for the six months ended 30th September 1976 compared with the six months ended 30th September 1975 and the year ended 31st March 1976 are as follows

	Six months ended 30th September		Year ended 31st March
	1976	1975	1976
	(R000 s)	(R000 s)	(R000 s)
Turnover	49 326	48 566	96 897
Operating income before taxation	4 102	4 137	8 551
Taxation	1 703	1 746	3 350
	2 399	2 391	5 201
Net attributable income of associated companies	170	217	371
Operating income after taxation	2 569	2 608	5 572
Outside shareholders and preference dividends	8	50	234
Net income attributable to Afcol ranking ordinary shares not held internally	2 561	2 558	5 338
Exceptional income included in operating income before taxation			325
Number of ranking shares (000 s)	22 787	22 939	22 787
Comparable earnings per share (cents)	11 23	11 15	23 42
Ordinary dividends per share (cents)			
Interim	5 50	3 25	3 25
Final	—	—	8 25

A change in accounting policy has been adopted with effect from 1st April 1976, to equity account for the results of certain associated companies The effect of this change has been to bring to account the income in excess of dividends received and this is not material in relation to total group profits All figures for prior periods have been adjusted to make them comparable and further effectively to eliminate the earnings included in the prior year s interim report which relate to retail assets subsequently distributed to shareholders

2 Comment on Results

The result is lower than original expectations but in the light of the current economic uncertainty and recent adverse social developments the Board considers it to be satisfactory

3 Review of Operations

Complementary activities (mainly particle board manufacture) reflected improved output and profitability The additional productive capacity which was mentioned in the Chairman s Annual Review has been contracted for as a result of the future demands for quality particle board Financing of this project has already been arranged

The furniture industry was impacted by a high level of T V sales in this period and in addition the furniture manufacturing results have been adversely affected by

- — raw material and cost increases
- — recent disruptions to production as a result of labour unrest on the Reef and in the Cape

The Rhodesian subsidiary (71% owned by Afcol) experienced reduced sales and profits mainly as a result of unsettled conditions in that country

4 Assets

Certain group listed investments with a book value of R9 376 019 (1975 – R7 878 950) had a market value on 30th September 1976 of R5 257 570 (1975 — R4 763 554)

During this period the assets of the laminating division of Bison Laminates were disposed of while the assets of a competitive bedding manufacturer were acquired at a discount Both these transactions were not material in relation to group assets

Authorised capital expenditure commitments at 30th September 1976 including amounts not contracted for amounted to R5 881 000 (1975 — R999 000) These commitments are mainly in respect of the particle board plant

5 Interim Dividends

6% Cumulative redeemable preference shares of R1 00 each An interim dividend, calculated at the rate of 6% per annum for the six months ended 30th June 1976 was declared on 13th May 1976 and paid on 30th June 1976 (1975 — 6% per annum for six months)

Ordinary Shares

An interim dividend of 5 50 cents per share (1975 — 3 25 cents) was declared on 2nd November 1976 This dividend is in respect of the full half year whereas in prior years it related to only four months of the larger Afcol

6 Prospects

Furniture demand is showing some signs of seasonal improvement and some consumer expenditure appears to be switching back from television to furniture but it is not expected that turnover will be at the same level as in the corresponding period last year

Demand for the Complementary Divisions products is dependant on the furniture and building industries the latter of which is currently in a depressed state

In the light of the overall economic uncertainty currently prevailing the Board considers it unlikely that the previous forecast of increased profit over last year will be met These conditions indicate that the company will have done well if it achieves last year s results

For and on behalf of the Board

A Berger } *Joint Managing*
L Goldberg } *Directors*

Johannesburg
2nd November 1976

afcol

ASSOCIATED FURNITURE COMPANIES LIMITED

(Incorporated in the Republic of South Africa)

DECLARATION OF INTERIM DIVIDEND NO 21

NOTICE is hereby given that the interim Dividend in respect of the 6 months trading period 1st April 1976 to 30th September 1976 of 5 50 cents per share on the Ordinary Shares of the Company has been declared payable to Shareholders registered at the close of business on the 19th November 1976

The Share transfer books and Register of Members will be closed from 22nd November to 3rd December both days inclusive and Dividend Warrants will be posted on or about 17th December 1976

In terms of the Income Tax Act as amended non resident Shareholders Tax will be deducted from Dividends payable to all Shareholders whose registered addresses are outside the Republic of South Africa

By order of the Board
T L ATTERIDGE
Secretary

15th Floor
North Towers
54 Siemert Road
Doornfontein
Johannesburg 2000
2nd November 1976

FURNITURE

Fin Mail 14/1/77

Chipping away

Transvaal furniture manufacturers — feeling the bite of recession are to press even harder for Black workers to be able to attain top positions in the industry

"While the Transvaal Furniture and Upholstery Manufacturers Association is satisfied with the progress made in opening job opportunities for Blacks, it will continue to ask for improvement in future agreements," says TFUMA president "Tubby" Myers

A new agreement - due to run for 15 months from January 1 -- has been signed with the Federation of Furniture and Allied Trade Unions It allows for certain restrictions on Black job advancement to be lifted

Manufacturers had asked for *complete* removal of restrictions But two unions,

African workers . . . light at the end of the tunnel?

the (White) National Association of Furniture and Allied Workers and the (Asian and Coloured) National Union of Furniture and Allied Workers were totally opposed to this, says Myers

The two unions pointed out that, although six months ago there was an estimated shortage of 1 000 skilled workers in the Transvaal furniture industry alone (it employs in the region of 10 000 workers), workless skilled Coloured artisans were now job hunting with little success

However, under the terms of the new agreement, Blacks can now be employed as seamsters and seamstresses in the upholstery and curtaining sections of the industry The same applies to the bedding manufacturing sector, and there they will also be allowed to work as mattress makers' assistants

Says Myers "The positive effect of the new agreement is that workers of all races can now be employed in Grade III and Grade IV in the industry" But the top grades (I and II) are still restricted to Whites, Coloureds and Asians

Actual wage increases are

- Grade I -- increased by R4,40 (a week) from R55 to R59,40 (8%),
- Grade II -- increased by R4,56 from R50 to R54,56 (9,1%);
- Grade III — increased by R3,72 from R35 to R38,72 (10,6%); and
- Grade IV — increased by R2,58 from R22,50 to R25,08 (11,7%)

TFUMA has pledged to continue to chip away at the unions, aiming for a set of solid proposals by the end of next year

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(2) 188
(3) ~~357~~

N. Mercury 12/7/77.

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Furniture men to tour S.A.

MEMBERS of the Western Australia Guild of Furniture Manufacturers are to tour South Africa in January, 1978.

The purpose of their visit is to seek sources of supply of particle board, plywood, wood turnings, furniture fittings and upholstery fabric.

Futher information may be obtained from the Regional Representative (Export Promotion) at Durban 313389.

Industrial training scheme pays in cash, productivity

Sunday Times (Business Times) 17/7/77

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By TONY KOENDERMAN

A QUARTER of the 900 firms in the furniture industry are now using the services of the Furniture Industry Training Board — and some notable successes are being achieved.

After 20 months of operation, the board has largely overcome the suspicions of member firms who initially saw us as an extension of the industrial councils or trade unions," says board director Sias Odendaal

"But we still don't have enough participation Our target is to get a third of the companies involved before two years are up "

The board, with an annual budget of R180 000 funded by a compulsory levy of 0,5 per cent of each company's annual wage bill, can now show positive proof of the benefits of its training consultancy

The trouble is, admits Mr Odendaal, that with industry turnover down 8-10 per cent in the last 18 months, any improvements in productivity could lead to reductions in the labour force

In one example he cites, a company reduced its work force from 200 to 90 while holding turnover at the same level.

This resulted from improvements in productivity by 34 per cent in the machine shop, 55 per cent in the assembly shop, and 258 per cent in the upholstery shop

Output per employee in the upholstery section rose from 1,2 three-piece lounge suites a week to 4,3

The cost to the company of the training programme was R2 100, but the wage bill was cut by R200 000 a year

Another smaller company increased its turnover, and brought its wage bill down by R5 000 a year at a cost of only R700

Savings are possible even for the smallest of firms A five-man business paid a total fee of R60 in return for which some simple task reallocation resulted in turnover jumping from R800 a week to R1 500

The board's consultancies, carried out by a staff of seven, cover not only the training of workers but, also of supervisors and management Attention is also paid to the allocation of resources, product lines and utilisation of space on the factory floor

Bradlows looks to black buyers

THE PRESENT outlook for the furniture trade is bleak, but the longterm future remains promising, says the chairman of Bradlows Stores, Dr E P Bradlow, in his annual review.

"Development of the Republic must result in the creation of a great new body of consumers among its black population Although at present only a small percentage of the company's trade is with non-whites there is no doubt this position will change in future."

As the standard of living of the blacks improves they will become more discriminating buyers. Instead of waiting for door-to-door salesmen, they will shop around

The group's shops, which cater for customers on a non-racial basis, will then obtain a larger share of their custom

"There can be no doubt that a great expansion of the household durable goods market will occur in the future But before that happens a difficult transition period will have to be endured"

Sales for the first four months of the current year were considerably below those of the corresponding period last year All signs point to a continuation and deepening of the recession

"The Government seems unlikely to stimulate the economy until there is a secure favourable balance on the overall balance of payments account It is improbable this will be achieved in the near future"

Only a resumption of foreign investment will enable South Africa to resume rapid growth In present circumstances it does not seem likely that any considerable amount of overseas capital will be attracted

The group's taxed profit for the year to February 28 was R604 000, which was R454 000 below that of the previous year

The economic recession worseneed and the television boom came to an abrupt end

In the second half of the year, turnovers were lower because the demand for all types of durables fell Because of the uncertain political and economic conditions, consumers reduced their to spending

The battle of traders for a share in the restricted market resulted in a fall in gross profit margins which depressed earnings further It was not possible to offset declining gross profit by reducing expenditure as inflation caused a continuous rise in costs

Turnover fell 4,4% compared with last year, pre tax profits 33% and taxed profits 43% Because of this and the need to conserve cash, the dividend on ordinary shares was reduced from 17,5c to 12,5c — Sapa

188 RDM 26/1/77

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blessing of God and the Church. The presence of many witnesses was also cited as desirable, especially if the marriage were to end eventually in separation and divorce. The Church was seen to have powers of reconciliation for such contingencies. That parents would be happiest if their children were married in Church was another oft cited reason. Clearly, however, a Church marriage, complete with paraphernalia, brought with it a tremendous amount of prestige to the bride, groom and their respective families.[13] But the fact that, to be married, was not an immediately contractable status - it was of necessity a cumulative process of alliance - meant that none of Church marriage, marriage in court nor *tjhobediso* (elopement) was sufficient in itself. If a largescale 'white' wedding was to be regarded as efficacious it had to be of sufficient size and intensity to ensure that the seeds for a growing bond of inter-lineage dependence (...

Like elopement (*tjhobediso*) Church marriage was thus seen

RECESSION HITS FURNITURE COMPANIES

(188)

Sun. Trib. 9/8/77

Finance Reporter

MEMBERS of the Steel Office Furniture Manufacturers Association are canvassing support from other non-member manufacturers to approach the Government for a reduction in sales tax on office furniture.

They claim the industry has been very badly hit by the recession. Sales of some items are down by just more than 50 percent. The office furniture market is down 20pc to 25pc this year.

Companies approached are being asked to plot a graph of the sales of various items so that the average sales of all the manufacturers can be preesented in graph form to the government to back up pleas for a reduction in sales tax.

The past three years has been extremely tough for office furniture manufacturers and there is a very rough price war going on at present.

Many manufacturers are tendering at near-cost to get large orders. A recent tender to a large government department for office desks turned out to be 60 percent below the second lowest bid. However, the same day the furniture was delivered it had to be returned as unsuitable. Now the department are asking for tenders again.

The Bureau of Statistics shows that sales of office furniture have been hit more than car sales by the recession.

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the

Sun. Trib prep. 14/5/77

Antiques a booming investment these days

(183)

ANTIQUE furniture collectors have notched up a massive 250 percent appreciation on the value of their pieces in the past eight years according to Mr J. Meschede, chairman of the South African Antique Dealers Association

He says that gains are often much higher than this A set of Victorian cabriole leg chairs, which dealers could hardly give away 10 years ago now cost more than R1 000 and those dealers who were far-sighted enough to lay in large stocks of this type of furniture are now in easy street.

Antique furniture both in South Africa and overseas has shown a steady price increase since the Second World War. Then in 1969 there was a boom in prices and since then the gains have been enormous.

"Real capital appreciation is still ahead," said Mr Meschede. "There is a boom overseas, buyers are snapping up all the available pieces and prices will rocket due to the lack of supply.

British antiques are in vogue at present. Buyers come from Belgium, Germany, France and an increasing amount from the Arab countries.

French antiques were mainly denuded after the French revolution. Germany's big families sold a great deal in the period after the First and Second World Wars and since the Thirties Britain's stately homes have been putting their antiques on the market with tax laws and death duties helping to keep the flow running.

Rapid price acceleration in antiques has not yet hit South Africa, but the experts feel that buyers in this country will follow overseas trends.

Mr Meschede claims that antique furniture is even more stable in capital appreciation than paintings.

Another antique expert, Harry Segil, a collector of Africana saye: "In South Africa we can still find some genuine pieces at realistic prices, but they are being snapped up rapidly. It's a pity that South Africans are not really interested in collecting antiques because so many beautiful pieces of Africana are leaving the country. Visitors are buying up yellowwood tables and kists, yonkmanskas, and stinkwood riempie chairs and taking them overseas with them"

He adds: "The South African habit of giving unwanted furniture to the maid instead of destroying it has resulted in the restoration of many beautiful pieces which we are finding and restoring all the time"

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5 August 1977

(Prof.) A.H.R.E. PAAP
Dean, Faculty of Arts

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Cape Times 1/11/77

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Few signs of recovery in furniture trade — Afcol

Own Correspondent

JOHANNESBURG — There are no signs of a recovery in the furniture market as reflected in the interim results of the large furniture group, Associated Furniture Companies (Afcol)

Operating income slipped on a small turnover rise and earnings are up only marginally because of tax allowances on the new Bisonboard plant

The board has revised its forecast about year-end prospects The chairman, Mr Dick Goss, said in the last annual report that sales should be more buoyant in the second half of the year

Yesterday's interim report says: "While there are some indications that the economic decline has been arrested, our previous prediction of a firm improvement in the second half of our financial year is now no longer certain

"Unless positive growth occurs soon, it is unlikely that last year's earnings will be matched"

The interim dividend is the same at 5,5c and chances are that the total will be kept at 11,5c for the third year in succession at reduced cover Afcol does not venture a dividend prediction in its interim report

Sales for the six months to September, 1977 are up 6,9 percent to R52 723 000 from the 1976 half-year's R49 326 000, which does not constitute growth, taking inflation into account

Operating profit is down 11,3 percent to R3 640 000 from R4 102 000 but the tax rate has declined to 30,5 percent, which lifted net attributable profit by 4 percent to R2 654 000 from R2 551 000

Considering the state of the furniture and building sectors, Afcol must be judged to have performed well. The fall in operating profit may be partly due to higher interest charges on loans raised for the Bisonboard factory

Afcol's balance sheet is basically sound, however

TOKYO — Nissan Motor Co expects after-tax profit of about 85 billion yen for the year ending March 31, unchanged from the 85,29 billion last year.

RUSSELL HOLDINGS LIMITED RDM 9/12/77

and subsidiary companies (188)

DIRECTORS' INTERIM REPORT

The unaudited results of the Group for the six months ended 31st October 1977 and the main features of the operations during the period are shown below.

INCOME AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31st OCTOBER 1977

	Half-year to 31st Oct. 1977	Half-year to 31st Oct 1976	Year to 30th April 1977
	R000's	R000's	R000's
TURNOVER	56 344	54 702	109 297
OPERATING INCOME	6 981	7 485	14 433
LESS: TRANSFER TO PROVISION FOR UNEARNED FINANCE CHARGES	547	1 002	1 800
NET INCOME BEFORE TAX	6 434	6 483	12 633
LESS: PROVISION FOR NORMAL AND DEFERRED TAXATION	2 767	2 788	5 557
NET INCOME AFTER TAX	3 667	3 695	7 076
LESS: MINORITY INTERESTS	10	35	39
NET INCOME ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	3 657	3 660	7 037
ORDINARY SHARES IN ISSUE	17 771 080	17 771 080	17 771 080
EARNINGS PER SHARE	20,6 cents	20,6 cents	39,6 cents
INTERIM DIVIDEND	4,0 cents	4,0 cents	10,0 cents

BUSINESS AND OPERATIONS

Group sales of R56m for the six months under review represent an increase of only 3% over the same period in 1976 which is indicative of the poor trading conditions over this period This and the pressure on gross margins resulted in a decrease in operating income of 6,7%.

At present there is no indication of an upturn in the economy and against this background it is difficult to project the expected performance for the second half of the financial year, particularly bearing in mind that trading during the Christmas period affects turnover and profits to a marked degree It is unlikely that earnings for the full year will match those of last year.

Your board has declared an unchanged interim dividend. Provided there is no further deterioration in economic conditions and in view of the dividend cover it should be possible to maintain the same dividend distribution as last year

DIVIDEND

The Board has declared an interim dividend (No. 27) of 4,0 cents per share (1976: 4,0 cents) payable on or about 20 February 1978 to shareholders registered in the books of the Company at the close of business on Friday 27 January 1978 The register of members will be closed from Monday 30 January 1978 to Friday 3 February 1978, both dates inclusivé, for the purpose of determining those shareholders entitled to the dividend. Where applicable, non-resident shareholders' tax, at current rates, will be deducted from the dividend.

On behalf of the Board of Directors,
W. L. DU PLESSIS (Chairman).
L. MANKOWITZ (Managing Director).

Johannesburg; 8 December 1977.

NM. 19/1/78 (188)

Keep permits, say furniture movers

Deputy Financial Editor

SOUTH Africa's furniture removal and storage industry is threatened by the Government's proposals which would allow anyone to move and store furniture.

They are responding by drawing up a memorandum which will be presented with those from other transport associations to the Government.

The issue is also being taken up by the Federated Chamber of Industries.

A spokesman for the S.A. Furniture and Warehousemen's Association in Natal estimated that their 15 members had an investment of about R15m.

"We welcome competition, but this move will open the industry to the backyard operators and fly-by-nights. We favour the existing permit system."

He said that facts were being gathered together by the Federation of Road Transport Association Investment in vehicles represented R50 000 to R60 000 for each and there was specialised storage.

The Stuttafords Van Line depot at Pinetown, for example, cost R780 000.

A draft list of goods which the Department of Transport intends exempting — this means that it will not be necessary to have a permit to move the goods within specified areas — has been published. The Department has called for comments on its list.

It is expected that the F.C.I. and the Federation will have talks with the department soon.

The list covers agricultural goods, dairy products, ores and minerals, office and electrical equipment, furniture, newspapers, furniture removals and building materials.

UNIT, UNIT ON THE WALL . . .

FM 3/2/78 (188)

Blumenthal's determination is
g his feisty little company,
it (specialising in ready-made
ock-down pine furniture and
), to the fore Projected turn-
1978 is R1,5m (30% up on
pretax profit R250 000 Not
what started out as a backyard
i six years ago with R400, the
from the sale of Blumenthal's

makes it impressive is that
is succeeding at a time when
ndaal, director of the Furni-
ing Board, reports at least 80
urers have been forced to
e annual R750m+ furniture
e is down by a guesstimated

thal, a mechanical engineer,
into business at age 32
nothing about it at all But
working for a boss It was so
l ulcers for 10 years The
arted my own business they
d"
e furniture because he was
ited at the prices quoted for
d wardrobes." He designs
iture in knock-down form,
ts the manufacturing. The
now expanded to about

bought cheaply in bulk,
warehoused at the Wyn-
on head office, retailed in
outlets on the Reef Sell-
ash basis with low profit
between 20% and 30%
rnover totalled R15 000,
doubling until the June

to sales dropped 30%
umenthal worked out his survival policy — cutting stock, increasing the product range, undercutting prices "We introduced stock control for the first time and started cash and carry lines in the under R20 bracket It's incredible how much we sold" Lost sales ground was regained by the end of that year

Major problems have centered on stock thefts (the estimate is R300 000 over the last six years) and severe liquidity problems Security has been tightened, but the liquidity problem continues

With contracted out manufacturing, assets are in stock, which may total R300 000 "We buy for credit, sell for cash It catches up with you eventually"

But plans are underfoot to expand Semble-it into a wholesale operation which will improve liquidity "We reckon we'll double our turnover which will quadruple profits with the same infrastructure"

Liquidity problems aside, Sembel-it succeeds in the present economic climate and Blumenthal ascribes success to

- Timing — "It's not a pat on the back for me We started pre-1975 when the boom was on. Starting today with the same lack of expertise, we would have failed"
- Design — "this and getting to know what people want We've learned from our customers and the feedback from our sales staff"
- Staff — "If you don't have them on your side, you're finished"
- Price — "Our policy is no one undercuts us and we know our opposition It helps with the pricing"

Blumenthal's sights are firmly on exports He's exhibited at major furniture fairs for the last three years, has tendered on a $10m contract to supply furniture for 4 000 housing units in Saudi Arabia Nothing's come of this effort yet But he's undeterred

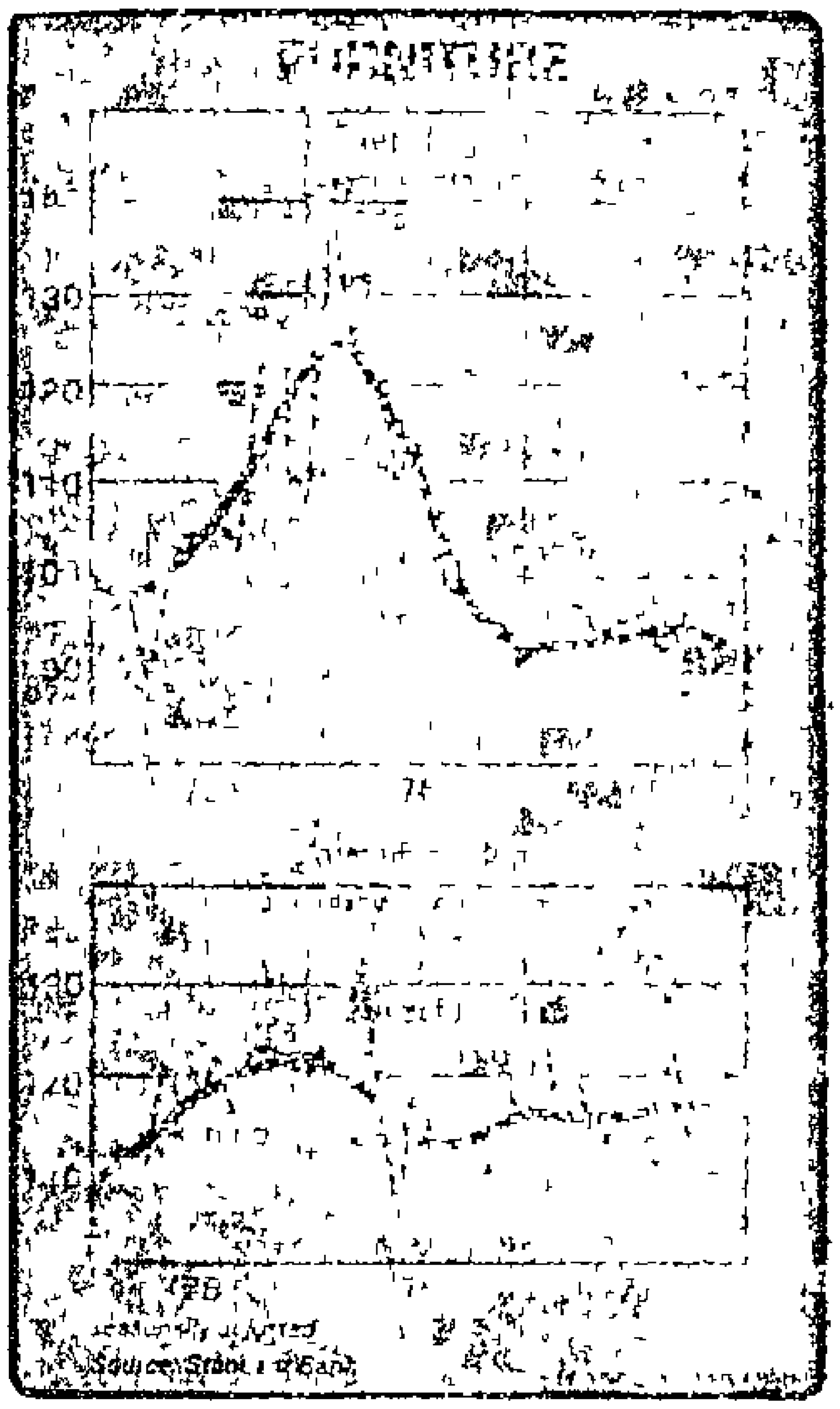
"Probably if I had concentrated on smaller markets I would already have got somewhere" He's determined to break into the giant US market. Negotiations are currently underway with a US firm to start a warehouse base in Houston, possibly with the assistance of other SA knock-down furniture manufacturers

Blumenthal . . with exports on his mind

FURNITURE

(188) FM 10/2/78

Telltale tables



Furniture looks like going into its third bad year with industry spokesmen only guardedly optimistic about prospects. Manufacturers will be lucky to hold their ground while retailers continue to lean heavily on other lines — electrical, fabrics and the like — to keep turnover respectable

"At the end of 1977 the decline levelled off and there's still some pent-up demand," says Ike Lasarow, Federation of Furniture, Upholstery and Bedding Manufacturers' president

It should be hoped so From an early-1976 peak, output fell 20% but managed to pull about half of that back by year's end Only one big manufacturer, Cape Town's SA Cabinet Works, failed, although scores of smaller workshops have gone out of business

Retailers simultaneously felt the rapid decline in furniture sales — a drop of 30%-plus in 1976 and it's stayed there since

Furniture Traders' Association president Al Mankowitz says: "At the time a black boycott hit sales (of all goods) substantially but television gave retailers a boost"

An added boost also came from an unexpected spin-off from TV with higher sales of well-upholstered easy chairs and curtaining

Lasarow sees real manufacturing growth in the sector this year at a meagre 2,5% but Mankowitz warns of imminent retail price rises topping at least 5% and probably around 7,5%

"Suppliers and shops have absorbed virtually all costs for two years Soon they'll have to be passed on to the customer," he says

Already, the trade is wary of the impending turnover tax which, though not intended to push up the price of goods, is expected to do just that.

Department of Statistics returns for the first nine months of last year show furniture shop retail sales (all items) down to R410,6m compared with R431.5m for the same period of 1976.

Lasarow adds, however, that exceptionally good Christmas sales must have lifted 1977's total sales substantially.

So, if Mankowitz's view that the bulk of retail sales is made up of white goods and soft furnishings is right, Lasarow's belief in a pent-up demand (for tables, chairs, bedsteads and wardrobes) is probably also right.

The 900 furniture factories, with rare exceptions, need the break much more than retailers Growth of 2,5% in an already depressed sector is the minimum if furniture men are banking on any sort of comeback

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Chipboard price rises by 15 pc

Star 9/3/78

South Africa's three biggest chipboard manufacturers have increased prices by up to 15 percent, a move that is certain to lead to higher furniture and building costs

The manufacturers, Bruply Board, Bisonbord and Novobord, together produce almost all the country's chipboard The last price increases for chipboard were about two years ago

Furniture manufacturers use the material, much of the time with a veneer, for wall units, wardrobes, cupboards, table tops and for some office furniture components

Mr A Berger, of Afcol — Bisonbord's parent company — said today further price increases were inevitable.

Rdm 26/4/78

188

Amrel bids for Melody's

By ELIZABETH ROUSE

AMREL, the SA Breweries retail furniture arm, may take over Melody's if negotiations are successful.

This move follows the have-off of the OK's Impala Television Services to Amrel

Melody's will be a morsel for the Amrel group. It has seven outlets, retailing furniture, television sets, musical instruments and household appliances.

Melody's taxed profits fell 20% to R262 000 in the year to February, 1978, and the dividend was cut by 1c to 7c. The chairman, Mr L M Sher, hoped that business would pick up this year because of the mildly stimulatory Budget

The vital question is: What will Amrel offer to buy out Melody's?

The shares pre-suspension price was 38c, giving a market capitalisation of R647 558.

Shareholders will be interested in cash not furniture shares these days, but the two groups' advisers, UAL and Hill Samuel, may work out a cash-share deal

AFCOL FM 23/6/78

Recovery ahead

188

Activities: *Manufactures furniture and particle board, with substantial interests in complementary businesses SA Breweries holds 56% of the equity. Afcol holds 2,5m ords in Romatex*

Chairman: *R J Goss, joint managing directors. A Berger and L Goldberg*

Capital structure: *23,1m ordinaries of 50c. 550 000 6% cum prefs of R1 Market capitalisation: R26,6m.*

Financial: *Year to March 31 1978 Borrowings long and medium term, R13,6m; net short term, R8,8m Debt:equity ratio: 58,3%. Current ratio: 1,8. Net cash flow: R5,5m. Capital commitments. R1,9m.*

Share market: *Price: 115c (1977-78: high, 123c; low, 67c; trading volume last quarter, 80 000 shares) Yields: 15,7% on earnings, 7,8% on dividend. Cover: 2,0. PE ratio: 6,4.*

	'75	'76	'77	'78
Return on cap %	20,8	16 1	14,8	12,4
Turnover (Rm)	127	89	91	100
Pre-tax profit (Rm)	11,6	8 2	7,5	6 5
Gross margin %	10 4	12,3	10 1	7 9
Earnings (c)	31 0	21 6	22 5	18 1
Dividends (c)	15 0	11,5	11 5	9 0
Net asset value (c)	193	159	159	168

** 1975 figures include Amrel prior to the spin off*

The crunch came in the second half, when pre-tax profits virtually halved to R1,9m (R3,4m), compared to the R3,6m (R4,1m) made in the first half. Overall, Afcol's pre-tax profits slumped 26% to R5,5m (R7,5m) This shortfall was in part due to the competitiveness of the furniture market, but can mainly be attributed to the price war that raged in the particle board industry

For the year to March 1977, Afcol spent R5m on a new particle board factory, which has been substantially under-utilised in the past year And then the recent price war coincided with further expenditure to develop and enlarge the usage of particle board, to try and compensate for the over-supply which flowed from the continued downturn in the building industry

Since March, Bruynzeel Plywoods and Afcol have merged their chipboard manufacturing interests, and this merger of competitors has stabilised market conditions. So profits during the current year should pick up

On the furniture side, real volume of sales rose marginally after two years of decline, but this growth seemed restricted to lounge furniture only The imposition of gst will no doubt temporarily hurt sales, even though the present sales duty will be lifted.

Afcol sold its Rhodesian subsidiary Springmaster, the former nucleus around which Afcol was built, as part of a decision to withdraw from investment outside SA. The subsequent adjustment to the comparative figures slightly enhances Afcol's present performance, but the sale has reduced shareholders funds by about R3m.

The R1,4m proceeds from the deal was initially used to repay short-term borrowings, "but in the longer term it will be reinvested in the equity needs of business activities in SA so that total group liabilities will be maintained at a level roughly equal to net worth," says chairman Dick Goss

Net borrowings are marginally lower at R22,5m, but the interest bill at R2,3m (R1,7m) is indicative of higher borrowings throughout the year

Stocks at R17,7m (R16,1m) are high, although stock turn is 5,6 times (5,6). The bulk of this is raw materials Debtors at R28m (R27m) are also high, and it seems that management is reasonably happy to let its debtors book rise, presumably because debtor provisions are sound.

At 115c the yield on the reduced dividend of 9c (11,5c) is 7,8% The price has remained pretty static for the last six months, but with prospects looking brighter on the particle board side, profits should go ahead in the current year, in which case Afcol looks fairly valued.

Gail Pemberton

RUSSELLS

FM 30/6/78

(188)

Margins down

Despite the depressed furniture market, turnover rose by 8% to R117,9m (R109,3m), and operating income rose fractionally to R14,7m (R14,4m). Pre-tax profit was fractionally higher at R12,8m (R12,6m), as was attributable profit at R7,2m (R7m), but both were lower in relation to turnover and pre-tax margin fell to 10,9% (11,6%)

"Turnover levels were achieved at the expense of margins," says managing director Les Mankowitz, "but in view of trading conditions, we are satisfied with the results We felt the effects of a general cutback in consumer spending, and there was no increase in black spending, but we managed to gain a larger market share. The furniture sector's contribution to overall profits was slightly higher"

Trading conditions were better in the second half, helped by the Christmas period, and turnover rose to R61,5m (R56,3m) while operating income showed an increase of 4%. However, earnings per share dropped slightly to 19,8c, compared with 20,6c in the first half.

Trading results in the first two months of the current year have been satisfactory, according to Mankowitz, and the group is satisfied with its present cash flow and debtors "Russells intends to maintain its policy of high dividend cover," he says

The price has fallen back to 125c, after 140c last week, and currently yields 8% The 10c dividend, covered four times, looks secure, and Russells may move ahead sharply with a resumption of consumer spending

Marguerite Christie

JOB RESERVATION FM 7/7/78

Out of the woods

188

African furniture workers and their employers have made an important job colour bar breakthrough in the Transvaal. Africans are now allowed to do certain types of skilled labour under exemption from the industry's Transvaal industrial council.

The change follows a period of conflict between employers and the two trade unions in the industry, the (coloured and Asian) National Union of Furniture Workers and the (white) National Association of Furniture and Allied Workers over job bars.

In terms of an industrial agreement gazetted for the 13 000 worker industry in April however African [illegible] allowed to do Grade [illegible] work [illegible] subject to [illegible] conditions [illegible]. Grade I [illegible] which is open to artisans and indentured apprentices only, is still barred to them.

[illegible] Union secretary Michael [illegible] the FM however, that [illegible] are regarded as skilled [illegible] journeyman's work without the formal [illegible] qualifications.

[illegible] conditions imposed on employers [illegible] to employ Africans in Grade II [illegible] are that the worker must have [illegible] continually for the same employer for four years and that he must [illegible] over the age of 21. There must also be two qualified Grade I workers at the factory for each prospective African Grade II journeyman.

If these conditions are met, the employer must then put the African worker through a two-year training course, which is monitored by the industrial council — in order, says council secretary Phil Smit, to ensure that employers stick to the training schedule.

While he is being trained, he is entitled to a proportion of full Grade II pay, ranging from 80% in his first six months to 95% in the last six months. Learners will earn at least R48,05 a week, says Smit. On completion of the course, they receive a diploma and can do Grade II journeyman work.

A similar agreement has been signed in the bedding industry (which employs about 500 workers), although here there are no designated trades and thus no Grade I.

Union members are also offered an additional safeguard — no African can be trained for a Grade II job if there is a coloured worker in the plant who has four years experience and is capable of being trained to do the work, and no union man can be dismissed to make way for a non union Grade II (African) worker.

Lalaram pronounces these safeguards adequate, and adds. "We've told employers we're prepared to let Africans into Grade I if they allow them to join an unregistered trade union and agree to deal with it. So far they're not keen."

The new dispensation is obviously fraught with restrictions and safeguards for union men. Nevertheless, employers are happy: "It's what we've been pushing for for a few years now," says Furniture Association president Ike Lazarow. "It's an important breakthrough."

Quote: By Ellerine's Ken Simons

We have shown a good pattern . . . Customers cannot be over-committed

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SUN TRIB 23/7/78

Furnishers beat recession

THE national furnishers, Ellerines, is showing a regular growth, despite the recession which has suppressed the furniture market.

The group's Natal operation has shown the best growth in the 145-store group, and has won the company's 'Lumberjack" award for sales.

There has been a steady increase in the number of Ellerine stores from the 1969 total of 18 to the present 145 The number is expected to reach 200 by 1981.

Despite the group s 90-to-95 percent involvement in the black market, it has not been hit by the heavy downturn in available black income as much as many other retailers, according to their figures.

In Natal, the group showed a 30 percent increase in turnover for 1977-78 compared with the 1976-77 figure.

By ALAN PEAT Finance Editor

Profits increased by 36 percent

The 1976-77 turnover and profit were R3 million and R500 000, in 1977/78, R4 million and R680 000

The budget for 1978/79 is more than R5 million turnover and R900 000 profit, increases of 25 percent and 32 percent.

Natal regional director Ken Simons attributes the steady increase to "tight control systems and correct merchandising."

On the credit side of the business — Ellerines are 95 percent into hire purchase sales — Simons says: "We have shown a good pattern because our credit granting is careful, and we do not allow any over-commitment on the part of our customers."

He says Natal has appeared to show a more stable employment rate than the rest of the country and 'we have seen a late growth in salaries in Natal compared to the rest of the regions"

While Natal has the better record in group terms the national figures are expected to compare closely in growth terms.

Simons said: "We have made budgeted figures and increased in most areas."

Net profit and sales growth should remain in about the same relationship in the immediate future.

The group's shares this year (sitting currently at the 175 cent buying level) have gone up by 6,3 percent.

If Simons' hint about the August issue of the financial report showing "a record year" is accepted, the company's share growth could well continue.

But there is a feeling among brokers that caution could be a watchword

Said one "It is not purely a matter of judging on figures alone There is the fear amongst possible buyers that the company's commitment to hire purchase and the black market could see a very damaging result on the group's position if even a minor black riot occurred."

Ken Simons dominated by the "Lumberjack" award

When a person has been sick for a long time, and the doctors and the amagqira have been unable to help, he might be advised by a person who had the same sickness and who was helped by the Zionists to come to us.

A person coming to our church does not tell us what kind of sickness (ugula) (s)he has. The spirit will tell us what kind of sickness (s)he has. After the spirit has told us what is wrong, we can heal the person.

I asked him as to the reasons for people joining the church

church nat urch heir at s he ies. sticks the

BEARES (188)

Bearing up

FM 1/9/78

The Natal-based furniture group benefited from increased consumer spending last year to June 30. Turnover was R106,7m (R80,7m) and after increased provision for unearned charges and doubtful debts of R1,98m (R1,18m) and current and deferred tax of R3,6m (R3,2m) the group was left with a profit of R5,4m (R3,2m). Earnings per share rose from 41c to 51c With a final dividend of 7c the total is 11c and the shares yield 7,2% at 153c.

Joint MD Alec Rogoff tells me that although things have quietened down since the rush to beat gst, the furniture business is still doing well The group plans to expand its furniture division and has acquired 11 Transvaal stores from Bromain. Purchase price has not been fixed but "is expected to be less than R900 000 and will be paid in cash." In anticipation of further expansion, resources have been conserved and the dividend cover has been raised to 4,6 (4,3).

Michael Brown

Financial Mail September 1 1978

usual Western concept and included, for instance, a person who is unable to secure employment after a long period. Such a person would be given a medicine to cause vomiting and another medicine to hang around his neck. The "patient" will also be given a coloured cord to wear around his head.

The sacrifice of an animal is undertaken in response to the ancestral shades "because most of the peoples ancestors want them to do something". The coloured cords appear to play numerous roles in healing, they may represent different kinds of spirits, they may be tied round specific parts of the body, e.g. wrists, ankels, waist or head and serve a protective function in warding off "enemies". Dreams of plants or herbs by "patients" are interpreted as indicating that the "patient" requires the specific plant or herb dreamt about.

I explained that I had a special interest in the treatment of mental illness and asked him about his views with regard to the treatment of such persons. He replied:

> The cord for healing such people is a cord which we have to respect. It is a thick cord which I hang over my shoulders when praying for the "patient". The "patient" has izilwane (animals) which start fighting. There are two kinds of izilwane. The one kind hide themselves. The other kind do talk. When they start talking, the person becomes wild and starts fighting. I then take that cord and wrap it round the "patient".
>
> In the Zion Church, we have special kinds of sticks and if the spirits tell us to put them across his shoulders, then we do what we are told to do, then the evil will come out.
>
> Sometimes, we mix a medicine (isiwasho) and a short red cord and give it to the patient to drink. That cord is going to look around inside and see what it comes across which is evil.

Efficacy of Treatment:

As yet, there has been no systematic research on the

4/12/78 Star 188

R15-m in holiday pay for workers

Labour Reporter

More than R15-million in holiday pay will be paid out to more than 90 000 building, furniture and garment workers in the Transvaal from tomorrow in preparation for the Christmas shutdown.

About 16 000 workers will share the R4,2-million worth of holiday bonuses being paid out by the Transvaal Industrial Council for the Furniture Manufacturing Industry.

That is about R800 000 more than last year

Some artisans will collect cheques of more than R2 000 each — depending on their earnings and attendance during the year.

Normally only about 13 000 workers are involved in the payout, according to Mr P C Smit, secretary of the council. He said the revival of the furniture industry and the unemployment in the building industry had increased the labour turnover

The official closure of the furniture industry is from December 22 to January 16, but many factories have advanced this by one week.

Only 59 000 building workers in the Transvaal — 24 500 fewer than two years ago — are involved in this year's holiday payout

And the total being paid to them in "stamp" money built up over the year is R9,5-million — R4,5-million less than two years ago.

LACK OF WORK

The industry closes from December 15 to January 8.

The Reef's 19 000 garment workers will take home about R2-million, or an average of about R110 each, for their Christmas holidays.

Most clothing factories are closing from December 15 to January 8 but the timing varies and some factories will shut for a whole month because of lack of work.

MANUFACTURING — FURNITURE

8 JUNE 1981 — 21 DEC. 1981

B&S FURNITURE

TRM 8/6/79 (188)

Gearing up

Activities *Subsidiaries make steel furniture for the retail market, schools and offices Directors hold, directly and indirectly, 68,6% of the equity*

Chairman and managing director· *H Back*

Capital structure. *2,3m ordinaries of 50c Market capitalisation R1,2m*

Financial. *18 months to December 31 1978 Borrowings long and medium term, R369 000, net short term, R1,7m Debt equity ratio 68,2% Current ratio 1,6 Net cash flow R350 000 Capital commitments R314 000*

Share market· *Price 50c (1978-79 high, 60c, low, 25c, trading volume last quarter, 29 000 shares) Yields *23,4 % on earnings 10,6% on dividend Cover 3,1 PE ratio 4 2**

	75	'76	'77	†'78
Return on cap %	23 9	20 9	15 8	14 5*
Turnover index‡	119	152	151	258
Pre tax profit (R 000)	124	716	425	672
Earnings (c)	16 6	18 8	12 1	11 7*
Dividends (c)	6 5	6 5	5 5	8
Net asset value (c)	82	95	102	112

† Change to lifo from fifo
* Annualised
‡ 1974 100

B&S Chairman Hymie Back paints a fairly optimistic picture of the current year with increasing consumer demand and "a year of growth and stability" for the company Productivity improvements, through automation and training are intended, and additional working capital has been negotiated to finance an expected increase in turnover

However, the R700 000 addition to working capital, acquired through a mortgage on B&S's Brits property may push group borrowings to an unsatisfactory level Total borrowings at end-December amounted to R1,7m, and interest/leasing commitments absorbed R279 000 of pre-tax profit giving a gross cover of 3 4 With the additional long-term borrowings, cover could fall to less than three, which, if the consumer boom does not materialise may inhibit dividend growth

Demand for consumer durables picked up in the past year and these conditions continued into the first months of 1979, says Back However, he says competition will remain intense The group's productivity drive should he says, help avoid cost escalation

B&S changed to lifo stock valuation last year which reduced taxed profit by R98 000 to R405 000 and stocks by R77 000 The group also excluded the value of labour in finished goods which reduced inventories at end-December by a further R93 000 Nevertheless B&S ended the 18 month accounting period with higher stocks at R961 000 (R786 000), mostly in raw materials and work in progress following the labour accounting change

These changes had the effect of reducing earnings from 22,3c for 18 months to 17 5c This means the last six months generated 9,7c compared with 9 3c in the corresponding previous period

On an annual basis earnings are 11,7c and the dividend 5,3c — placing the share on a 10,7% yield There may be a higher dividend this year, but the yield is not very attractive for a thinly-traded share

Des Kilalea

3.

evaluated, and it is probable that some of the dates are not associated with Iron Age occupations (Huffman, in press), and (2) quantile ranges are sensitive to processes associated with settlement proliferation as well as archaeological research strategies (Collett, in prep.). However, within one of the Early

ECOLOGICAL MODELS OF DISPERSAL MECHANISMS

Continuous Spread. Dispersal processes that give rise to continuous spreading have been linked to two variables, population growth and the existence of territories or home ranges (Emlen, 1973). A territory or home range, a site territory in archaeology (Higgs and Vita-Finzi, 1972), has a fixed carrying capacity under a specified system of exploitation. As population increases the carrying capacity is approached, population limiting factors will come into operation and movement out of the area would become more advantageous to individuals because it would increase their reproductive fitness. The group would split into two or more sub-groups, and all but one of these would move away some distance and settle. An imaginary boundary enclosing the settlements would appear to move outward (Fig.1). If population continued to grow, the boundary would continue to move outwards, and population

density would increase in the central area until all the potential site territories were being utilised. In the central area population limiting factors would operate to balance recruitment (birth, immigration) and loss (death, emmigration).

This simple ecological model has some utility although it has been noted that population often appears to be at a lower density that the carrying

...nation may act as a
968). In
and as population
Animal models
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split in
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Lack, 1954).
In the case of
with movement from
human populations ... the problem of the
the natal area wou... o later.
factors that contr...
A flow chart ... wth, carrying
capacity and the f... 2) forms the basis
of the computer si...

Discontinuous Spre... pread model of short
distance moves is ... eated in a similar
way to a community ... lement proliferation
and the movement ... as in the continuous
spread case. As ... nd the frontier the

FM 8/6/79

(186)

FURNITURE SHARES

Near-term attraction

Furniture and appliance shares have fallen with the industrial market over the past fortnight, but average prices still stand 51% higher than a year ago And once the current shake-out has run its course, a further rise seems on the cards as consumers use their tax cuts to finance new purchases

The sector's advance has reduced the average dividend yield to 7,1% (1978 9,1%) By comparison, the overall industrial market yields 6,8% (8,1%), the relative cheapness reflecting some sluggish sectors, like building, which inhibit demand

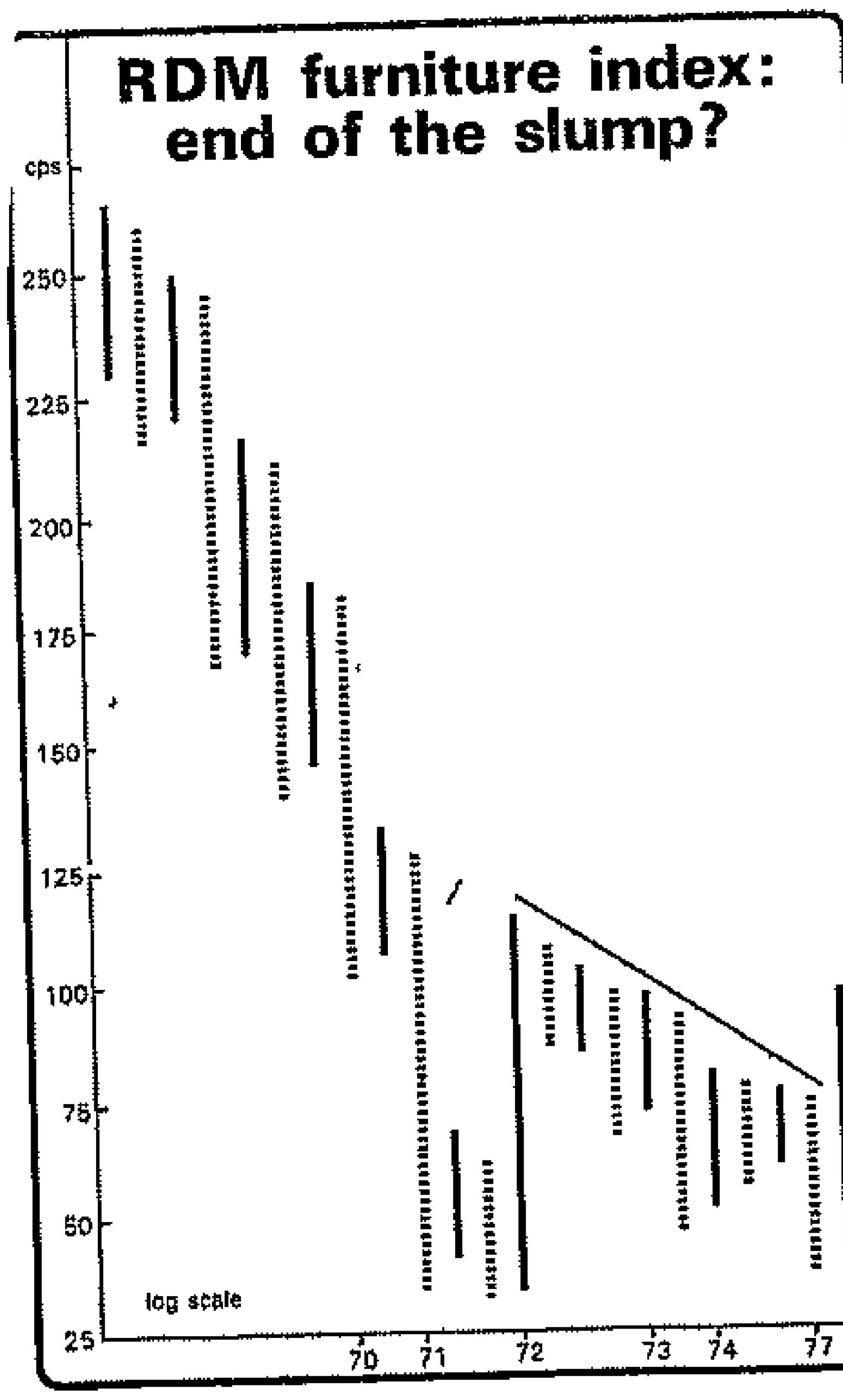
The physical volume of manufacturing production of the industry bottomed at 160,2 in 1976 In 1978 it crept up to 167,7, and the first two months of this year weighed in with 191,1 and 160,1 The high January figure must include part of the pre-Christmas rush, since the first quarter is normally quiet

Manufacturing sales have moved slowly from R300,6m in 1975 to R349,9m last year — 5,8% above the 1977 figure This year started slowly and will not benefit from abnormally good months like those before gst

Leading manufacturers and retailers expect sales growth to continue this year Afcol's profit rose 61,8% in the year to March, and this leading manufacturer anticipates further growth in 1979 The directors expect a pick-up in office furniture sales and improvement in the building industry to enhance profits But competition is expected to remain intense as there are about 500 manufacturers in the Transvaal alone

Nationwide, there are over 4 100 retail outlets, says Furniture Traders' Association executive director Sieg Redlinghuys FTA expects sales growth of some 7% this year, which is not great if inflation is taken into account.

Future sales growth depends on whether mid-year tax cuts will more than compensate for price increases resulting from more expensive timber, says Russels MD Les Mankowitz Russels is the largest



retailer on the JSE Although Mankowitz discerns a note of confidence in the industry, he cautions that a significant revival depends on the building industry recovering and unemployment decreasing In the smaller centres he reckons there could be some over-trading as larger retailers expand

OK Bazaars is another large retailer. Its furniture merchandising executive, Malcolm Smith, says sales are not "buoyant" although the second half of the year should improve Like other retailers, Smith says, OK's stocks are low and there is little delay in obtaining supplies from factories

Amrel MD Ronnie Cohen says recent staple food and looming petrol price increases could harm sales, particularly in the lower-end of the market But Amrel expects higher sales and profits in the current year after closing several unprofitable outlets.

Retailers selling to blacks are worried that the price increases in food and timber could hamper sales Disposable incomes are not rising as fast as prices, says Ellerine chairman, Eric Ellerine But he does not expect the recent price hikes to have a significant impact on sales.

Hi-fi sales are "coming into their own", says OK's appliance merchandising executive Arthur Solomon But until the building industry picks up, white goods face unexciting prospects. And TV sales will remain stagnant until there is a black channel and further electrification

In the furniture and appliance sector Tedelex appears one of the most attractive buys Chartist Clive Roffey gives the share a potential upside to 200c, and, if 13c is paid this year, the share, at 110c, yields an attractive 11,8% The dividend projection is based on Ellerines expected profits and an interesting audio market

Amrel and Afcol also rate buy recommendations on this year's prospects Amrel stands at 255c on a 9 2% historic yield, while Afcol yields 7 7% at the 183c ex-dividend price Amrel will benefit from the new acquisition of SAB's shoe interests while Afcol can expect additional income from the particle-board factory and the newly commissioned textile mill

Ellerine and World Furnishers rely on the same markets which could be adversely affected by staple food price hikes Also the mid-year tax cuts will have less impact on black spending than white Nevertheless, Ellerine which hit a 340c high this week, will probably pay up to 25c in dividends, while an 8,0c (6 5c) total from World is on the cards

Russels, Bradlows and Beares offer prospective yields of over 7% and have merit if the consumer boom gains momentum But, Bradlows marketability is limited and dividend policy conservative

Cape retailer Montays yields an historic 11,8% on last year's 8c dividend The payout should be maintained and capital gains could be on the cards But purchases are best limited to active shares in more diversified groups

Des Kilalea

Definitions

Gross profit Pre-tax profit plus all interest paid

Debt equity ratio All interest bearing debt as a percentage of total shareholders funds

Total shareholders' funds The total of ordinary minority and preference shareholders funds adjusted for the market and/or directors valuation of investments less intangibles (eg goodwill)

Return on capital Gross profit as a percentage of capital employed

Capital employed Total shareholders funds plus deferred tax and all interest bearing debt

Gearing Total interest bearing debt plus preference share capital as a percentage of net asset value

Net asset value Net assets attributable to ordinary shareholders after adjustment for market and or directors valuation of investments less intangibles

Return on equity Pre tax profits less preference dividends as a percentage of total shareholders funds less preference

Current ratio Current assets divided by current liabilities

Cash flow group net profit plus depreciation **net** retained earnings plus depreciation

Capital commitments Contracted and authorised commitments

Gross margin Gross profit as a percentage of turnover

Stock turnover Turnover divided by the year-end stock figure

Market capitalisation Number of ordinary shares multiplied by latest market price

Earnings per share Net profit after tax minority interests and preference dividends and after adjusting for non-recurring items divided by the weighted number of ordinary shares in issue

PE ratio The number of years purchase of latest earnings per share represented by the current share price

Cover Earnings divided by ordinary dividends paid

SAM STEELE

Chair-bound

188

FM 16/12/79

Activities: *Investment and finance company involved through subsidiaries in the manufacture and retailing of furniture Owns all of Steel & Barnett*

Chairman: *E J Roy, managing director B M Goldberg*

Capital structure: *10,8m ordinaries of 50c**

* After 1 1m shares issued for Steel & Barnett minorities

Financial: *Year to August 31 1978 Borrowings net short term, R5m Debt equity ratio 56% Current ratio 1,7 Group cash flow R710 000*

Share market: *Price 37c (1978-79 high, 48c, low, 17c, trading volume last quarter, 1,1m shares) Yields 15,6% on earnings, 9,5% on dividend Cover 1,7 PE ratio 6,4*

Though chairman Edward Roy reports that the first four months of this year show "a satisfactory repetition of improving turnover," he finds it difficult to project likely trends for the full 12 months

	'75*	76†	'77	'78
Return on cap %	8 5	11 7	11 6	10 7
Turnover (Rm)		24 7	17 9	20 6
Pre tax profit (R 000)	486	1 125	1 164	1 120
Gross margin %	-	4 6	6 5	5 4
Earnings (c)	3 6	4 6	5 2	5 8
Dividends (c)	3 5	3 5	3 5	3 5
Net asset value (c)	47	64	73	75

**Year to February S&B not consolidated*
† 18 months annualised

Everything depends on the now 100% owned Steel & Barnett But though the subsidiary reduced debt last year through a R1,5m rights issue, attaining a satisfactory debt equity could mean dividend restraint until the furniture market is back in gear

Last year S&B earned R595 000, of which R482 000 was attributable to Samstel Judging by the brief directors' statement accompanying S&B's preliminary report, profits this year should show a further improvement

If S&B's taxed profit growth matches last year's, it could contribute about R700 000 (taking into account that there has been little reduction in external borrowings) On this basis Samstel's 1979 earnings would amount to about R830 000, equivalent to 7,7c a share

On past experience a dividend of up to 4,5c could be paid But with group borrowings relatively high (combined debt equity currently about 56% on total borrowings of R9,5m at end August), interest payments could absorb up to R1,5m annually

The furniture trade badly needs additional customers and they could be attracted by the current declining trend in HP interest rates But it is difficult to foresee a near term quantum increase in spending

Des Kilalea

RUSSELL

More in store

FM 29/6/79

Russell's slightly lower interim earnings were accompanied by a forecast that profit for the year might be lower. But, at end-April, pre-tax profit was 14,7% higher at R16,3m (R14,2m), and the final dividend lifted to 7c (6c) for an 11c (10c) total, and it appears that after two good months in the current financial year, a higher dividend may again materialise.

At the half-way mark earnings were 20,3c (20,6c) and the dividend was pegged at 4c. Operating margins fell to 10,4% (12,4%) on sales of R64,2m (R56,3m). However, management's efforts to reduce costs were obviously successful as, over the year, margins were unchanged at 12,1% on sales of R135,2m (R117,9m) with a 42% (43,5%) tax rate and less to outside shareholders, increased earnings 15,3% to 46,8c (40,6c).

In the past year the group's clothing interests, predominantly the 94% held Manboys chain, experienced difficult trading and some unprofitable outlets were closed. In 1977/78 the clothing division contributed 5% to net income. Last year its contribution was negligible, with nearly 100% of net income coming from the furniture operations says MD Les Mankowitz.

Furniture sales benefited from increased consumer spending after the post-gst lull. The group continued closing unprofitable outlets and opening new stores as opportunities arose, but Mankowitz says there was little change in the total number of outlets. However, he notes that debt collection, which slowed down in the previous year, is now satisfactory.

Since the year-end Russell acquired two Rudicks outlets, and opened a further two. This should add to profits this year as should the newly-opened bedding chain, Fortywinks.

Mankowitz hopes the 14,7% turnover increase of 1978/79 will be beaten. He cautions, however, that the fuel price increase and its effect on retail selling prices of furniture makes forecasting difficult.

Dividend cover increased to 4,3 (4,1) times because of the expected higher volume of business this year. But a further increase is unlikely as Russell's cover has seldom been higher, and efforts are being made to limit the extra stocks needed to meet demand.

The share has fallen 15c to 125c in the past two weeks to yield an historic 8,8%. The expectation of higher profits is likely to be fulfilled, so a higher dividend is a reasonably safe bet. This implies a yield higher than most in the furniture sector. As such Russell seems under-priced.

Des Kilalea

Financial Mail June 29 1979

Labour

... years by getting votes from hopeful union members.

SITTING PRETTY

"What do we do? In September, the new wage [illegible] is not [illegible] We'll just have to accept what our union does for us — but the executive will be sitting pretty for another three years."

Mr Williams was critical of the failure of the union's officials to inform the members [illegible] executive member Mr P Whittle had resigned more than two general meetings ago.

"Even now we don't know what steps are being taken to replace Mr Whittle.

"A man resigns after 22 years service and we don't know about it. We don't know why he resigned. But we elected him in the first place."

CONFERENCE

Mr Williams also slammed the union officials for spending [illegible] of members' money to attend a three-day conference at [illegible] during August last year — and then not bothering to report what had happened.

"The time has come for the members of the union to [illegible] and for elections to take place [illegible] We will [illegible] when we have elected new [illegible]," said Mr Williams.

The man [illegible]

Mr Williams was involved in a dispute with the union last year after he claimed that the union was not interested in him [illegible] dispute with his employer. The matter was [illegible] settled to the mutual agreement of all [illegible] Williams [illegible]

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06 APR 1979

TRADE UNIONS

Principle and practice

When is a racial trade union not a racial trade union? When it is for whites (or other non-African workers) only. Or that [illegible] the attitude of Assocom and a growing number of industrial employers.

[illegible] letter asking for [illegible] trade union recognition. Assocom says its [illegible] policy is that industrial procedures should be [illegible] [illegible] employers [illegible] with unions [illegible] [illegible]

According to [illegible] commercial distributive trade [illegible] recommended [illegible] members because it prefers [illegible] non-racial [illegible]. The unionists have been trying to [illegible] recognition for the (unregistered) African Commercial, Catering and Allied Workers Union (CCAWUSA) from the large chain stores, some of whom have also used the "non-racial union" argument to justify withholding recognition.

Yet the unionists point out Assocom's members in the commercial distributive trade have been dealing with whites only and coloureds and [illegible] only unions for over three decades.

Says shopworker unionist Morris Kagan: "When they came out with this non-racial policy a few years ago we dismissed it as a tactic. Non-racial unions can't be registered and this sort of attitude is a convenient way of ducking the issue."

The situation in the shopping industry raises another [illegible]. What if workers don't want to belong to non-racial unions? The coloured shopworkers' union wants [illegible] the Wiehahn commission allows it — but the African and the white union both want to maintain their [illegible] identities while cooperating on specific issues in a federation.

Says CCAWUSA general secretary [illegible]: "Are employers now going to insist that we integrate? The domestic affairs of the unions are none of their business."

It is also difficult to see employers — despite their claims that they don't like [illegible] racial unions — breaking off relations with whites only unions if Wiehahn provides for racial unions.

How does Assocom react to charges of [illegible] two [illegible] policies? It won't say. Approached by the FM [illegible] out of its letter to [illegible] which the Johannesburg Chamber of Commerce [illegible] [illegible] secretary [illegible] we [illegible] developments in the field — both in the private sector and from the Wiehahn report. Assocom would prefer not to [illegible] its letter [illegible] publication of the recommendations of the Wiehahn commission.

New group fires Koka. Post 30/4/79.

By [illegible]

THE [illegible] general of the Black Allied Workers Union (Bawu) Mr Drake Koka, banned and in exile, was this week expelled from the union by a dissident group.

Expelled with him is the president Mr Alfred Mahlangu, the acting secretary-general, Mrs Mary Tloke, and six other members.

At their conference in Durban last weekend the dissidents decided to change the name of the union to the South African Allied Workers Union (Saawu).

The Durban conference, at the Hotel [illegible], was attended by 16 delegates.

This week the secretary-general of the dissident group Mr S K P [illegible] issued a press statement saying that Mr Koka, Mr Mahlangu, Mrs Tloke, [illegible] Sola, Mrs Florence [illegible], Mr M J Khumalo, Mr [illegible] Mashabane, Mr [illegible] Diamond and Mr [illegible] were expelled.

The group alleged that the expelled people "had misrepresented the union."

Yesterday Mr Mahlangu [illegible] that he regarded the expulsions as a big joke.

"These 16 individuals who call themselves delegates [illegible] from an organisation [illegible] the [illegible] [illegible] organisation," he said.

Union [illegible]

[illegible] workers

[illegible]

F.M. 13/7/79

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JOB COLOUR BAR

Out of the wood

Africans will now be able to do journeymen's work in the Transvaal furniture industry, in terms of a new agreement between employers and trade unions

Coloured furniture worker . . . making room for Africans

The agreement, which has not yet been gazetted, will come into force in three months' time Employers and unions both claim it will effectively abolish the job colour bar in the industry

Until now, employers have not been allowed to employ Africans in Grade I (journeyman's) work at all Furthermore, Africans have been allowed into Grade II jobs only under a "learnership system," which stipulates that no non-African labour must be available, that the African candidate for the job be 21 years old, and that he must have been in the industry for four years

The new agreement scraps the industry's "restrictive employment" clause But a stumbling-block remains Africans cannot be indentured as apprentices, the employers arguing that there is no college training available to them in the "white" areas

However, Winston Smith, secretary of the Transvaal Furniture Manufacturers' Association, says that Africans will still be able to occupy Grade I jobs by making use of the "learnership" system previously applicable to Grade II workers

Those who qualify under this system will be able to do journeymen's work at journeymen's pay scales, despite the fact that they will not have official artisan status, says Smith

Some furniture employers argue that the "learnership" system stacks the cards heavily against Africans But Michael Lalaram, secretary of the National Union of Furniture and Allied Workers, says that "many blacks are doing skilled work as a result of the scheme"

Although Smith says employers are "very happy" with the new agreement, he adds that they are still restricted by Section 3 of the Environment Planning Act, which has resulted in restrictive African labour quotas being laid down by government "Until the Act is removed, promoting a black still means that you can't replace him with a new worker lower down the scale," he says This, he argues, may slow African promotion

Lalaram tells the *FM* that his union did not oppose the relaxation of Grade I restrictions because "we can now organise blacks into a registered union We have always said that we will allow the barriers to go as soon as we can"

His union, which represents coloured workers, has started organising a "parallel" African union and will apply for registration for it "as soon as the law permits it" Lalaram adds that his union would amalgamate with the new African union — and with the small whites-only union in the industry — "within 24 hours" if legislation permitted mixed unions

PINE FURNITURE

Through the roof

166

74

FM 10/8/79

Pine furniture has become one of SA's fastest growing export industries Worth only R780 000 in 1977, exports leapt to R10m last year and should reach R18m-R20m this year

"Next year will bring in between R40m to R50m for our members," says Southern Africa Pine Producers & Exporters' Association chairman Richard Makin The 35-company organisation certainly seems to be on a boom time if his prediction is even vaguely correct

Turnabout in the pine furniture industry comes at a time when manufacturers are cutting each other's throats locally in front of sceptical consumers unenthusiastic about the design or price of its white-wood products Overseas attraction is meanwhile growing

"We expect exports to stabilise at R20m including R1m from us," says Do-it Youself Kits director Jeff Whittle

His 100-workforce Babelegi factory opened a year ago with 100% of production going overseas Whittle conservatively estimates that sales will rise 25% over th next 12 months despite price-cutting b exporters outside the association and rise in the cost of pine from lumber millers

"Exports are reviving but our bigge threat is the price of timber Pine went u 40% earlier this year and now it has ju gone up another 15%," says Whittle

Makin, who also runs Maksa Pi Corporation at Krugersdorp, fears SA present 20% price advantage over ma competitors from Eastern Europe will whittled away to put a ceiling on lo potential "Some of us exhibiting Birmingham and Cologne discovered tremendous demand for pine products are not competing with Scandanav furniture, which is in a different class a much more expensive than SA produc but have almost unlimited growth p ential in the European do-it-yours chain store and mail order market,' adds

"The UK is still the target market for pine furniture exporters although, says Makin, France and Holland are rapidly opening up Container shipments are despatched in completely knocked down units for European handymen or importers to assemble and paint Growing popularity of pine products is quickly bringing in competitors from Spain and Italy with the main non-European threat coming, however, from the Far East led by Taiwan Most popular lines are breakfast nooks, small tables, bunk beds, shelving, louvre doors, kitchen chairs and benches

Germiston-based louvre door specialist Bugs Boland is wary of endorsing the general feeling that Europe is a bottomless pit for SA pine furniture exports even though last year's R250 000 worth of shipments from his HMB Industries has already reached R750 000 since February "The only thing keeping us in Europe is cheaper labour and cheaper raw materials Labour costs are rising and pine isn't so cheap any more We have a 225 workforce manufacturing solely for export at Babelegi but, once their costs pass a certain mark, we'll be right out of the market In Europe we are up against the shrewdest buyers in the world A price war is emerging and the key to our survival is cheap pine," says Boland

If he is right then the organisation's 35 producer-exporters are in a cleft stick After three badly depressed years, during which the timber price structure collapsed and the industry was for a long time threatened with government intervention (*Business brief* last week), the millers are at last feeling confident enough to re-establish — if not dictate — the price of their product leaving sawmills That means dearer wood

Bad news for pine furniture makers after carving out an export market only to see it threatened more by domestic problems than overseas competitors

Financial Mail August 10 1

Mortality rates greater than 5/1 000 appear in italics in Table I. For all of these major causes o[f] rates exceed those of the wh[ites]

However, in this context, wh[...] disease classification a ce[...] despite the fact that the o[...] system are comparable for wh[...] broad category the mortality [...] Table II provides the propo[...] diseases for the whites, As[...] Ischaemic Heart Disease is [...] Asian communities, Cerebrov[...] latory Diseases in the 'col[...]

Similarly, if the Accidents, Poisoning and Violence category is examined in greater detail, motor vehicle accidents are the major cause of mortality in whites, 'coloureds' and Asians, the second most importa[...] the white community is suicide, whilst that for the 'coloureds[...] cide. For Africans, the latter is the main cause in this cat[...]

The expectation for life at birth and at age 45 for whites, Asi[...] 'coloureds' is summarised in Fig. 6. It is not meaningful to [...] an expectation of life for urban Africans as this group is subje[...] large measure of migration. The characteristically better expe[...] of life for women in comparison to men, is apparent for all thre[...] ties. However, what is of interest is the ratios of the expect[...] life for the three communities. At birth, the white:Asian:'col[...] ratios are 1:0,91:0,76 for males and 1:0,88:0,77 for females; a[...] of 45 these are 1:0,91:0,86 for males and 1:0,79:0,85 for female[...] The 'coloureds' are less disadvantaged at e_{45} as compared to e_o [...] males and females, a difference which is largely attributable to the high infant mortality rate in this community. It is also noteworthy that Asian females have the worst expectation of life at age 45 of the three communities, which is in marked distinction from both males and females at e_o and males at e_{45}. The fact that for the 65+ age group, Asian women have the highest mortality rates for respiratory, circulatory, digestive, genito-urinary and ill-defined causes of death (Table I) may contribute to this anomalous situation.

Fig. 7 summarises the percentage improvement in the expectation of life at birth subsequent to the total elimination of the mortality associated

[...]tional [...]rnational [...]f the [...]pical [...]itic [...] Diseases [...]urban [...]import[...]ely), [...]al [...]us [...]most [...]sting

[...] combination of developed and underdeveloped [...] death rate from enteritis and diarrhoeal diseases in the young and circulatory disease[...] [...]e relatively [...]ly in the [...]e pro[...]ban areas. [...] between [...] the other.

[...]s propor[...]ble I [...]use [...]ite, Asian

[...]al mortal[...] [...]l be [...] made by [...] for [...]or this [...] and Para[...]ional [...] In [...] are so [...]nately noted that despite the relatively minor circulatory diseases in the 'coloured' c[...] these diseases are higher than those of t[...] apparent inconsistency is that the mortal[...] sitic Diseases are so high that they effe[...] mortality of the Circulatory Diseases in[...] the white community, the mortality rates [...] low, the importance of the Circulatory di[...] exaggerated.

Star 21/8/79 (188)

Furnishers settle disagreement over suite

People who order furniture to be made up according to their choice of style or colour should be certain they know what they want as the shop can insist they take and pay for it.

Kosy Furnishers in Rosebank, a member of The Mattress House Group, did not hold Mr A Forleo of Parkhurst to this when he refused to accept the red lounge suite he had ordered, although they were legally entitled to take him to court

Mr Forleo had paid a R100 deposit, R50 more than required When the suite did not arrive within the promised two weeks, he wanted R50 refunded This was refused, he was also refused permission to buy something else with his R100.

He refused to accept the suite when it was first delivered because it was six weeks late, the fabric was stained and one of the legs was missing Three weeks later the repaired suite was ready for delivery, But Mr Forleo demanded his money back

Kosy Furnishers offered to remake the suite, to try to sell it and refund the deposit, or as a gesture of goodwill, to sell it to Mr Forleo at a 10 percent discount When he refused all these offers on the grounds that the suite was no longer new, but secondhand, Star Line contacted the Furniture Traders' Association (FTA).

The association's executive director, Mr S F Redelinghuys, pointed out to Star Line that one of its codes of conduct stated: "No concession (such as cancellation) is allowed for any goods cut or made to order or specially ordered on the special instance and request of the purchaser. The purchaser is thus obliged to honour a special transaction."

Despite this Mr Forleo refused to inspect the suite and demanded a refund.

He ignored all letters sent to him by the shop, by the FTA and by Star Line.

Six months later Kosy Furnishers pointed out it could take him to court for the balance owing on the suite, but instead was prepared to let him use his R100 as a deposit on another item.

Mr Forleo accepted this offer.

STAR LINE

A muddle over registered mail

Registering mail is not as safe as one might think it is because the post office will allow anybody to sign for it

This is what Mr Joseph Soichet of Maisine Court, in Kerk Street, Johannesburg felt when lost mail cost him R17,30

In November last year a share certificate was posted by registered mail to Mr Soichet When it had not arrived by March this year, Mr Soichet contacted the post office, where he was shown the postman's mailing list His letter had been signed for but the signature was not his.

Mr Soichet discovered the signature was that of a man who ran a shop in the same building as the block of flats in which he lived The man had no idea what had happened to the letter.

Replacing the certificate cost Mr Soichet R17,30 and he felt the post office was responsible for this amount

He said he felt that if neither he nor the caretaker was available to accept registered mail, it should be returned to the post office and a notice sent to him, asking him to collect the article

Star Line passed Mr Soichet's complaint on to the public relations officer of the post office.

We told him Mr Soichet did not accept that registered mail could be delivered to anybody, as it defeated the object of registering mail

A spokesman for the post office told Star Line the caretaker of Maisine Court had authorised that if she was not at home, mail should be delivered to the shopkeeper.

The spokesman said the shopkeeper had given the post to the caretaker's maid, who had lost it.

When Star Line contacted the caretaker she denied authorising the post office to deliver mail to the shopkeeper She said she had been caretaker for seven years and in that time her maid had accepted mail if she was not available

Star Line contacted the post office about the caretaker's denial and the maid's denial that she had lost the letter A spokesman said that as far as the post office was concerned the letter had been delivered Star Line was to consider the case closed as nothing further was going to be done, he said.

Funeral parlour would not release bodies

Two bereaved families asked Star Line to intercede when Poonees Funeral Parlour of Lenasia refused to release the bodies of their relatives for burial by another undertaker.

When Star Line eventually succeeded in persuad- ...

it was a Sunday so they returned on the Monday. Mr Bickram Poonee, a brother of the funeral parlour's owner, Mr Dawchand Poonee, refused to release the body "without my brother's permission"

He tried to persuade the family to allow Poonees to do the funeral, but the realives insisted that Poonees should not do it as they said they had had previous unsatis-

An independent undertaker in Soweto told Star Line he felt this charge was excessive as he had, the day before, charged R55 for removing and storing a body for five days

Mr Bickram Poonee told Star Line: "If they had let us do the funeral we would have charged them R150 for everything — storage, removal, a cof-

Jaarlikse Konferensie, Nasionale ... en Raadsvergadering van die Suid-Afrikaanse Instituut vir Rasseverhoudinge, Kaapstad (Januarie).

Suid-Afrikaanse Jaarlikse Vergadering van die Religious Society of Friends, Stutterheim (April).

Negende Wêreldkongres van Sosiologie, Uppsala, Swede. Verhandeling voorgelê in Werkgroep 6 en vergaderings bygewoon van die Raad van die Internasionale Sosiologiese Vereniging as die amptelike afgevaardigde van Suid-Afrika (Augustus).

ing the funeral parlour to release one of the bodies, the family was charged R120 — a large part of which was for storing the body during the delay caused by Poonees.

Star Line found that Poonees Funeral Parlour had:

- Spurned both families' rights to have the bodies buried by an undertaker of their choice.
- Used tactics to deliberately delay clearing up the matter
- Increased the storage fees for the bodies by refusing to release them and then charging the families for the delay
- Tried to "bargain" with the families in an attempt to be given permission to arrange the funeral — then, when one of the families rejected the "bargain price" outright, charged an exorbitant price for the body's removal and storage.
- By their attitude, forced one of the families to allow them to bury their relative against their wishes.

Mrs Martha Mavelane of Diepkloof, a member of the first family to complain, said when her aunt died on a Saturday, the woman with whom the aunt lodged asked Poonees to remove the body and await further instructions from the family.

The next day the relatives called at Poonees to instruct them to release the body to City Funeral Directors, whom they wanted to arrange the burial. Nothing could be done as factory dealings with Poonees Funeral Parlour

By late that afternoon Mr Dawchand Poonee had not made an appearance so the relatives were forced to stay away from work and return to Poonees the next day. By Tuesday afternoon the family was desperate and asked City Funeral Directors to contact Star Line.

"Poonees are prolonging the agony of these people by making them wait. It's disgraceful to treat a bereaved family this way but it seems they are [illegible]erable to nobody," the director of City Funeral Directors told Star Line.

Star Line immediately contacted Poonees Funeral Parlour and was told by Mr Biekram Poonee that he could not release the body even if his brother had "not returned by next year," He could, however, arrange the funeral, he said. He claimed his brother was unavailable as he had "gone to fetch a body" and only when he returned could the family discuss the matter

He said he knew that if the body was released the charge would be R120 for "removal and storage for three days" He said he could not understand why the family did not want Poonees to do the burial.

In a further attempt to trace Mr Dawchand Poonee, Star Line contacted another branch of his where it was claimed "Mr Poonee is visiting his wife in hospital and is not able to give permission for the release of the body"

Later the same day the body was released at a charge of R100. "We gave them a R20 discount," Mr Poonee told Star Line in the funeral business so why should we be expected to remove the body and then have someone else bury it?"

Mrs Rebecca Mbuli of Mzimhlope, a member of the second family, asked Star Line for help when the family had the same experience with Poonees.

When her mother died the family had asked a friend to summon City Funeral Directors to collect the body and arrange the funeral, she said The friend had mistakenly called at Poonees Funeral Parlour, [illegible] fetched the body. The relatives discovered the mistake [illegible] and immediately went to Poonees to collect the body.

"The family does not want the burial done by Poonees," Mrs Mbuli told Star Line when, by late on the second day, they had been unable to get the body.

Mr Biekram Poonee reiterated his brother was not available and he could not release the body, regardless of the family's wishes "I don't know when my brother will return — the people will simply have to wait for him," he said.

At that stage the Poonees quoted the family "a special price" if they were allowed to do the burial but the family rejected this

On the third day the relatives were told they could "have the body if R150 was paid" In desperation they agreed that Poonees should arrange the funeral to finalise "the upsetting business," as Mrs Mbuli put it

Star Line has asked the Trade Practices Advisory Committee in Pretoria to investigate the matter.

300 years old — with bright future

Argus 28/9/79

(188)

THE making of furniture in the Cape was one of the first industries to develop in South Africa after the arrival of Jan van Riebeeck.

Today, three centuries later, there are 137 factories in the Western Cape employing 3 749 people.

They make all types of furniture and lately some have found an export market

The export of Cape-made furniture is a new development It is growing encouragingly with furniture finding buyers in America and Western Europe.

RISING COST

The industry's main problems in the Western Cape are the rising cost of materials, the scarcity of good furniture timber, and inroads into the Cape market by manufacturers outside the Cape.

The rise in costs has affected every commodity used by the furniture industry, according to Mr V Sebba, chairman of the Cape Furniture Manufacturers' Association.

'The cost of timbers, boards, foam, cloth, coverings, cartage and railway transport have all increased substantially

'Pinewood, to take a single example, has risen by 35 percent in the past year alone The industry has been absorbing the cost increases during the past two years, but obviously the price of furniture to the consumer will inevitably also be affected in due course'

SECOND TIME

The increase in cartage costs was particularly worrying, Mr Sebba said, because many commodities used in furniture-making were transported from up-country and these costs had to be met a second time when finished furniture was transported back to the interior markets

'Our transport accounts have increased phenomenally,' Mr P B Kriel, the vice-chairman of the association, said

The industry was also experiencing a severe shortage of hardwoods, Mr Kriel said

EXOTIC WOODS

'There are no hard woods suitable for furniture in South Africa barring a couple of exotic woods which we get from the Knysna district'

Producers in other parts of South Africa who have penetrated the Cape market are causing concern, and local manufacturers would like to see the buying public giving its support, when possible, to furniture made in the Western Cape.

FURNITURE SECTOR (188)

Comfortably placed

FM 25/1/80

Riding the crest of rising consumer spending over the past year, retailers have felt the benefits of increased turnover and, to some degree, better margins Christmas has left most retailers with less stocks, fatter wallets and broader smiles than has been the case for several years, as well as a strong base for launching into the Eighties And, if the experts are to be believed, consumer expenditure should remain buoyant for at least the next 12 to 18 months

Specifically, this must be good news for the furniture industry, which relies on consumer confidence for growth, and which is traditionally hard hit by any form of social, political, or economic upsets One of the bigger problems facing the industry is the tendency of consumers to defer purchases of large household items in the face of rampant inflation and political uncertainty, as has been the case over the past four years

But judging from the performance of the furniture sector over the past year, it looks as if this trend is reversing The *RDM* furniture index has advanced by just over 100%, though admittedly from a low base of 75,6 this time last year But this is well ahead of the 58% rise recorded by the RDM 100 industrial index At the same time, the average dividend yield for the sector has only dropped to 5,1% (7,6%), reflecting far better operating results over the period

Of the major companies in the sector, **Afcol** is by far the largest manufacturer, with turnover of R116m (R100m) at end-1979 Although compound turnover growth has been in the region of only 6% over the past four years, with attributable earnings doing marginally better at 6,8%, latest interim results to end-September more than justified last year's share price hike Attributable earnings were 57% ahead of the previous corresponding period at R5,1m (R3,3m) This was well ahead of market expectations

However, the impetus behind Afcol's boost was not so much an improved performance from its furniture manufacturing division, but better income from associates and investments, in particular Amrel, Barlows and Romatex Attributable income from associates was 286% ahead at R1,3m, and investment income rose 39% to R580 000 Also the benefits from the Spankor deal, — the merger of Afcol's and Bruply's particle board operations — have been realised, so income from associated companies should improve even further

Overall, Afcol looks a good bet The directors anticipate that earnings this half will at least match the first-half's My view is they will probably be better in the face of an increasing rate of growth in the economy Conservatively, if earnings of 45c are reached this year, then a twice-covered dividend of 22,5c puts the share, at 340c, on a prospectve 6,6% yield

Once a wholly-owned subsidiary of Afcol **Amrel** was hived off in 1976 as the furniture retail arm of SAB Since coming to the market, the group has recorded an 11,2% compounded turnover growth, no mean feat considering the state of the economy during that time

In the same period, the group's compound dividend growth moved smartly ahead by an annual 27%, caused mainly by a near doubling to 23,5c in 1979 Recently, Amrel's trading base was enlarged through the incorporation of SAB's shoe interests, comprising Cuthberts, Select-A-Shoe and Multiserv, which contribute about 20% of the group's taxed earnings

Amrel, too, has benefited from the latest economic upturn, and the results to end-September reflect an "exceptionally pleasing" increase in sales from all divisions According to financial director Natie Brodie, the group's fortunes started picking up around Christmas 1978, and after a better 1979 Christmas quarter, things are looking good for 1980 Although the latest interim results do not reflect the benefits of the crucial 1979 Christmas period, earnings still improved 88% to 39c on the back of a 54% turnover improvement to R55,7m (R36,1m)

These results will no doubt accelerate the group's expansion programme, as improved cash flows come through As with other groups in the sector, Amrel is highly geared But a recent issue of 1,1m shares to SAB for the absorption of Shoe Corp (which had the effect of diluting earnings), has lowered the group's borrowings ratio enough to give flexibility in raising new finance This will no doubt be required as it pushes ahead in its sales drive and opens more Select-A-Shoe outlets

Although expansion plans will impact on distributable earnings, Amrel still offers investors sound medium-term prospects Earnings of 100c are well within reach, and despite a higher debtors book resulting from increased sales, dividend cover will doubtless remain at around three times This implies a 20c final and 13c interim, putting the share, at 540c, on a projected 6,1%

With sales of R135m at end-1979, **Russels** is the largest quoted furniture retailer in SA, operating over 280 stores and marketing mainly to whites The group's record over the past four years has been far from inspiring, with turnover growing at a compound 11,3% and earnings and dividends by only 1,7% and 3,9% respectively But since the year-end things have improved At the interim stage turnover was 30,2% up at R80m, and operating profit, boosted by wider margins, was 59,3% ahead at R10,6m

According to MD Les Mankowitz, plans are afoot to open several new furniture stores. He feels that last Christmas was outstanding and expects a boom this year. Although he refuses to comment on earnings in 1980, 55c is possible with the promise of a 14c payout. On this basis the share yields a prospective 6,7%.

A good performer over the past four years has been Natal-based Beares. It has recorded compound earnings and turnover growth of 13.7% and 20.3% respectively. The group is well placed in the Natal market, and has benefited substantially from its investment in Game, a cash discount chain which will soon see additional outlets opening in Durban. Also, penetration of the Transvaal furniture market is growing. Already there are about 50 stores in operation following the recent acquisition of 11 stores from Broman Holdings.

MD Alec Rogoff says that interim results this year, which are due in a few weeks, will be ahead and that the tremendous upsurge in Christmas spending saw the furniture division achieving record results. Although he is not keen to disclose projected earnings for the year, Rogoff is confident of strong consumer demand in 1980.

Despite diluted earnings through increased share capital, an interim of 6c (5c) will probably be declared, with a 10c final within reach. This puts the share on a prospective 5,6%. A deservedly high rating and still a solid long-term buy.

As for **World** and **Ellerine**, both are well placed in the black market. World's four-year record of earnings and turnover growth has been adequate although dividend growth has tended to lag. Last year's trading conditions were not up to group expectations, but plans to upgrade stores and improve asset management should help this year.

Ellerines chairman Eric Ellerine, says that although the group has gained market share, overall sales certainly did not "run away in the latter part of last year." For the next 12 to 18 months Ellerine sees a steady increase in demand, especially for better quality merchandise.

If earnings can approach the 115c mark, then a possible 30c dividend puts the share, at 410c, on a prospective yield of 7,3%.

Overall the furniture sector looks set to prosper again this year. Many investors, however, have already discounted a strong revival. What frightens others is the relative short-term strength of the sector. But certainly results this year — and next — will back-up current share prices, especially if the economy maintains momentum.

[illegible]

Afcol profit doubled, final is 18c

(232) (188) RDM 2/5/80

Financial Editor

ASSOCIATED Furniture has more than doubled profits and dividends for the year to March 31, 1980, in yet another surging performance from the SA Breweries group.

SAB owns 56% of Afcol, the furniture makers

Afcol boosted taxed attributable profit last year by 105% from R6 485 000 to R13 321 000 The final dividend has bounded up from 7c to 18c to give a total of 29c compared with 14c the previous year

Earnings a share were up from 28,4c to 57,6c

The results are way ahead of forecast — the directors' original estimate was earnings of 45c

What is remarkable is the extent of the profit boost from a modest increase in turnover — up by 22% from R116-million to R142-million

That was sufficient to generate an 89% rise in gross operating income from R8 020 000 to R15 169 000

The directors say "Improved economic activity in the second half of the financial year led to increased sales, higher capacity utilisation and, therefore, profits

"This also applied to those whose businesses for which we equity account for profits but whose sales are not included in the group turnover"

For most of the last financial year, Afcol had major investments in stable companion Amalgamated Retail and in Barlows and Romatex

The sharp rise in dividend income from R1 674 000 to R4 575 000 and this sent full attributable profits to the 105% rise

Afcol has, however, increased its stake in Romatex from 10% to 22% in a deal which included selling all its Amrel shares to SAB and most of its Barlows shares to Romatex sellers

The Afcol directors say "Additional earnings will flow (this year) from the Romatex investment which will then have been held for the full financial year"

They say the 1979-80 figures included only 2c a share earnings from Romatex, whereas had the deal been effective for the full year earnings would have been 67c instead of 57,6c

The directors forecast "While the same rate of growth in earnings a share cannot be expected in the coming year there is good reason for optimism with regard to the quantum of expected earnings

"The improved outlook for growth in the overall economy coupled with expected building industry activity will benefit all areas of Afcol's investments"

Afcol shares were priced at 360c yesterday, offering historic yields of 16% on earnings and 8,1% on dividend

These must look attractive if the overall market perks up

Afcol's profit rises 105 pc

252
249
STAR
2/5/80
(188)

By Colin Campbell
Deputy Financial Editor

What else can you say about a 105 percent rise in year end profit and a 107 percent increase in the year's dividend than "excellent"

Afcol today reports just that and though it cautions that the current year is unlikely to see the same rate of increase, it nonetheless expects another good year ahead

Sales rose by 22 percent to R142m, and attributable income leapt from R6,5m to R13,3m, thanks to higher sales volumes improved capacity utilisation and a higher level of profits from associated companies

Afcol recently topped up its Romatex interest to 21 percent, the net effect of which for the period under review was to increase earnings by 2c a share Had the Romatex transaction been effective for the full year, then earnings would have been 10c a share higher at 67c a share

The final dividend for the year ended March is 18c a share to make a year's payment of 29c compared with 14c a share previously The 39c a share payment covers net earnings of 57,6c a share nearly 2,0 times

The board is positive about this year's prospects The overall economy looks good and the expected building industry activity will benefit all areas of Afcol's investments There will be a full year's benefit from Romatex, let alone the benefits of organic growth At 360c Afcol yields 8,1 percent Recommended

B & S meets strong demand

(188) ~~232~~

an 12/5/80

B & S STEEL Furniture has reached a new adventurous phase of its development and this is borne out by results so far this year, says the chairman, Mr H Back, in the annual report

The company expects a marked increase in demand for its products.

B & S Steel has become subject to borrowing restrictions in terms of foreign exchange control because more than 25% of the issued capital is now held by non-residents as a result of the emigration of a director, Mr J Grossman.

Of the 2 256 400 shares in issue, 758 250 shares (representing 33,6% of the total) are held by non-residents. In terms of the formula applied by the exchange control authorities, the company's South African borrowings are limited to 74 4% of shareholders' funds.

To remove this constraint on its operations a company controlled by Mr J Grossman — Joe Grossman Family Holdings (Pty) — will reduce its holding in B & S to a level at which the company will cease to be subject to restriction.

This is subject to Family Holdings right to increase its shareholding to its present level at any time up to and including January 1, 1983, by which date it is expected B & S will have been able to reduce its borrowings to a level at which on the assumption that Family Holdings exercises that right to increase its shareholding, B & S will be able to operate more comfortably within the exchange control constraints.

An agreement has been concluded that the issued share capital and share premium account of B & S be reduced by R157 800 by the cancellation of 263 000 shares held by Family Holdings, and the payment to it in cash of 60c a share in respect of those shares, representing the share capital paid up thereon, and 10c a share by way of a reduction of the share premium account of B & S. — Reuter.

B & S STEEL FURNITURE FM 23/5/80 188

Attractive yield

Activities *Steel furniture manufacturer Main products are kitchen units, tables and chairs, office furniture and institutional seating*

Chairman and managing director *H Back*

Capital structure. *2,3m ordinaries of 50c Market capitalisation R2m*

Financial *Year to December 31 1979 Borrowings long- and medium-term R1m, net short-term R1 1m Debt equity ratio 70 4% Current ratio 2,1 Net cash flow R592 000*

Share Market *Price 105c (1979-80 high, 105c, low, 40c, trading volume last quarter, 49 000 shares) Yields 26,3% on earnings, 7 1% on dividend Cover 3 8 PE ratio 3,8*

	'76	'77	*'78	'79
Pre-tax profit (R 000)	716	425	304	996
Return on cap %	20,9	15,8	11,0	23,0
Earnings (c)	18,8	12,1	8,6	27,6
Dividends (c)	6,5	5,5	6	7,5
Net asset value (c)	95	102	112	133

*18 month accounting period estimated results for calendar 1978

This year's earnings should be enhanced by a proposal to reduce the issued share capital, over and above any improvement resulting from the more buoyant trading conditions

The decision to reduce the capital follows the emigration of one of the firm's directors, J Grossman this has led to the company becoming subject to restrictions on its borrowings under exchange control regulations, as nearly 34% of the capital is now held by non-residents And while borrowings are presently within the 74,4% of shareholders funds limit, they are unlikely to stay that way due to the group's need for additional working capital as turnover increases

Grossman has therefore agreed to the cancellation of 263 000 of his shares at 60c, subject to his being given the right to restore his holding, at the same price, any time before January 1, 1983 The effect of this will be to reduce the non-resident shareholding in to 24,8%, thereby relieving the group of any outside restrictions on its borrowings

From the angle of minority shareholders, however, the more interesting effect is that earnings per share on the reduced capital will receive a 12% boost even if the company has to borrow the R158 000 to pay Grossman out Had the reduction taken effect last year, earnings would have been about 31c against the 27,6c actually achieved Even a modest 20% improvement in attributable profits this year, therefore, would yield an earnings gain of around 35%

Profits recovered sharply last year from the depressed conditions of 1978, under the impetus of the improved economic climate, increased production capacity following the automation of certain processes, and improved labour productivity

The result was a turnover 7,6% higher than in the previous 18-month accounting period and a 56% increase in pre-tax profits Due to the seasonal nature of profits, 1978 results cannot be satisfactorily annualised, but it appears that last year's profits were about 134% higher than those earned in calendar 1978, with most of the increase coming in the second half

The higher level of activity has, however, placed a strain on group resources The debtors book alone increased by an amount which exceeded gross cash-flow, and it is therefore not surprising to find a fairly substantial debt build-up — from R1,6m in 1978 to R2,1m — in the accounts The debt equity ratio of 70,4% will increase to 74,3% once the capital reduction scheme is put into effect and is likely to rise even further as business expands

Although trading conditions remain competitive, chairman Hymie Back foresees a further improvement in profits this year With the benefits of the reduced issued share capital, the group should have no difficulty in achieving a 35% earnings growth And even if dividend cover is increased from last year s 3,7 to take account of working capital requirements there should still be scope to increase the payout by 2c to 9,5c

This would put the share, currently trading at 105c, on a prospective yield of 9 0% — attractive to smaller investors despite limited marketability *Brian Thompson*

DATES TO REMEMBER

Last day to register for dividends
Friday May 30 Afcol 18c, Amal Medical 5,5c, Amrel 28,5c, Argus 95c, Barlow Rand 18c, Dermacult 7c, Eureka 12,5c, Goodhope 6,25c, HCI 8c, IGI 5c, Metro 70c, Romatex 24c, SA Brew 12,5c, Suthsun 12,5c, Toyota 28c, Waltons 15,5c

Meetings
Monday May 26 SAAN, Stilfontein
Tuesday May 27 De Beers Cons (Kimberley), De Beers Ind (Kimberley), FedFood
Thursday May 29 ER Cons (London), Wispeco (O&S) (Alberton)
Friday May 30 B&S Steel (O&S), Suderland (Cape Town)

All meetings are in Johannesburg unless otherwise stated
S Special meeting O Ordinary meeting

Duros in good form

(188) RDM 4/6/80

Financial Reporter

DUROS, the Cape Town furniture manufacturer, bounced back with a taxed profit of R35 095 in the year to last February from 1979's R10 675.

No dividend has been declared in the preliminary report Duros last paid a 1,5c dividend in 1977

The directors say sales ran at much higher levels in the first quarter of the current year.

The seldom traded shares have been static at around 80c

Boumat goes into Action

(188) 6/6/80

By HAROLD FRIDJHON

BOUMAT has bought 80% of Tool Wholesale Holdings (Pty) — the Action Group — for R1 502 500 as from March 1, 1980 On the basis of TWH's accounts for the year to February 1980 if this acquisition had been included in the latest Boumat accounts, the earnings a share would have increased from 101,5c to 106,5c.

On the other hand, the net asset value of a Boumat share would have gone down from 321c to 314c The reason for this is is the goodwill factor in the price The net tangible value of TWH at the end of February was R1 203 265 Boumat's 80% is worth R962 612 plus loan accounts amounting to R72 665

Boumat will satisfy the price of R1 502 500 by a cash payment of R400 000 and by the issue of 100 000 Boumat ordinary shares at 480c, the market price on the day when the agreement in principle was reached The balance of R622 500 is to be paid free of interest by June 30, 1981 At Boumat's option the balance will be paid in cash or shares, or by both, the shares to be at market price when payment is made

TWH, which earned a pre-tax profit of R706 322 last year, is a wholesale and retail chain operating the Action stores selling tools, hardware and allied lines for the home improvement trade and is aimed at the do-it-yourselfer

These products fall into the activities of Boumat although the group has not yet spread into the do-it-yourself market

Mr David Gevisser, executive deputy chairman of Boumat, told me yesterday that the group had been investigating this business area when the opportunity arose to acquire the Action chain

Buying TWH and the Action shops will not impose any burden on the Boumat management structure Mr Omri Gelgor (43), who founded TWH with his father, retains a 20% interest and will continue as managing director The Omris had plans for expansion although there were some financial constraints

With Boumat behind them some of these plans can now be implemented and it is expected that this will become another Boumat growth point

Boumat appears to be on the move The TWH acquisition is the third in a week, but the most important

Last week the group bought City Metal Works for R720 000 which was paid for by the issue of 150 000 Boumat shares at 480c City Metal manufactures Kitchen Pride kitchen units, one of the three leaders in the field It specialises in housing contracts and individual sales of units through distributors

The other acquisition was to buy out the minority shareholder in Kwikot (East Cape) for R329 000 which was also paid for by a share issue The number involved was 70 000 Boumat ordinaries at 470c

Neither of these two acquisitions will have a material effect on Boumat's earnings a share or on its net assets a share

Amrel to open 70 more outlets

188 RDM 9/6/80

By ELIZABETH ROUSE

AMREL, the SA Breweries group furniture and shoe retail division, plans to open 70 outlets this year — a sign of the group's optimism about the consumer upswing.

This expansion follows on the opening or resiting of 41 shops and the closing of 30 shops in the past year in line with the group's rationalisation and updating policy

The chairman, Mr Dick Goss, says in the annual report that the group's capital structure is adequate to finance the envisaged growth, but it is advisable to rearrange the borrowing pattern Long-term loans are being raised

The 1980 balance sheet shows that interest-bearing debt rose to R35 986 000 in the year to last March from R23 867 000 in 1979 and total liabilities to total shareholders increased to 1,9 1 after remaining at 1,8 1 for some years

Mr Goss says Amrel trades on the principle of different chains of stores to serve specific markets There are 12 such chains within the group and this policy allows it to focus on a particular market and encourages flexibility in day-to-day operations

A partnership is being negotiated with the Coloured Development Corporation in the Cape to facilitate store openings in selected areas for both furniture and shoes

The group operates shoe shops successfully in partnership with the relevant Government corporations in Bophuthatswana and KwaZulu

Amrel plans to open 20 furniture stores and to resite five shops The Early Bird Television service division has moved successfully into household appliance repairs and this service will be expanded

The shoe division trades under four main trading names — Cuthberts, Selecta, Barnes and Multiserv A programme of store rationalisation and openings is under way

Many Cuthberts stores, better suited to Selecta's self-service style of trading, are being converted Low-return stores are being weeded out and replaced with opportunities more suitable to Cuthbert's requirements Selecta will open 37 units with major emphasis on the Western Cape Four Barnes stores will be resited and Multiserv, the heel-bar division, will expand by about 20 units

Amrel again surpassed the national retail sales growth in the furniture and shoe sectors over the past year National retail sales rose by 13%, with furniture increasing by 20% and footwear by 9,5%.

Amrel's turnover rose to R126 600 000 from R76 700 000 Furniture division sales increased to R97 200 000 from R76 700 000 and shoe division sales were up 20% to R29 400 000 from R24 500 000

Earnings climbed by 76% to 124,2c from 70,7c and dividends were raised to 41,5c from 23,5c.

Shareholders are assured of further earnings and dividend growth on Mr Goss's optimistic view of the growth in consumer spending and the opening of further outlets.

FM 13/6/80 (1980)

FURNITURE

Well padded

SA's furniture industry has certainly come out of the recession and indications are that increases in consumer spending will make 1980 a record year

According to the Standard Bank Business Indicators for April, retail sales (in current prices) are up 41.5% on the corresponding period last year and the industry is confident of strong consumer demand for the rest of 1980

This increase claims Sieg Redelinghuys of the Furniture Traders Association is the result of boom conditions in the property market and increased money in consumer hands "Turnovers soared last year as a result of the unleashing of pent-up demand — we expect 1980 to continue this trend Furniture is considered a semi-capital item and as conditions improve it is one of the first luxuries afforded

The electrification of Soweto and the

46, 5 + 21

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AFCOL

185

Keeping ahead

FM 20/6/80

Activities *Manufactures furniture and particle board. Owns 21,7% of Romatex. A 56,3% subsidiary of SA Breweries*

Chairman *R J Goss, joint managing directors A Berger and L Goldberg*

Capital structure *23,1m ordinaries of 50c, 550 000 6% cum prefs of R1. Market capitalisation R104m*

Financial *Year to March 31 1980. Borrowings long- and medium-term, R17,5m; net short-term, R6,3m. Debt equity ratio 31,3%. Current ratio 1,7. Net cash flow R8,7m. Capital commitments R3,9m*

Share market *Price 450c (1979-80 high, 450c, low, 120c; trading volume last quarter, 247 000 shares). Yields 12,8% on earnings, 6,4% on dividend. Cover 2,0. PE ratio 7,8*

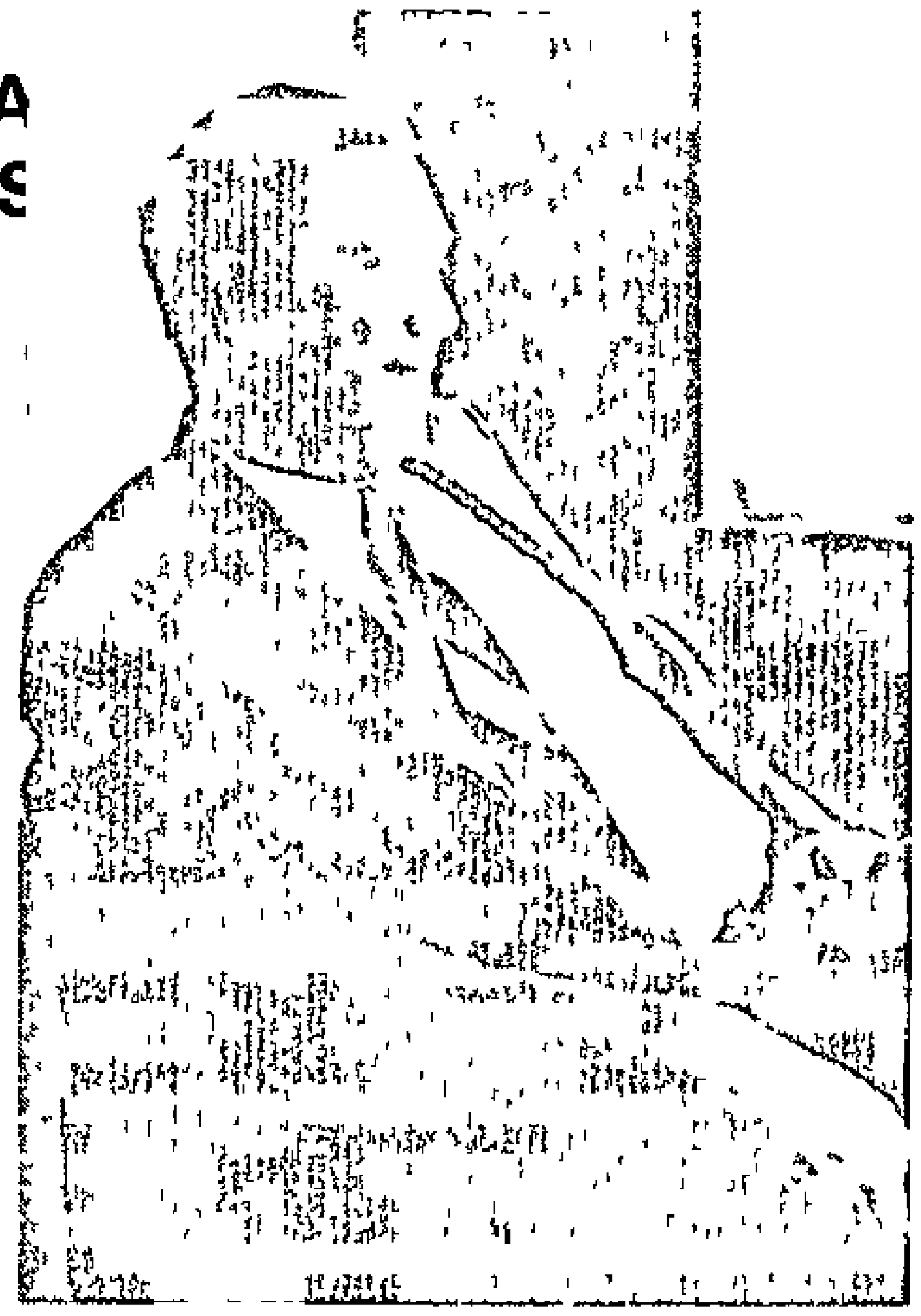
Although chairman Dick Goss says growth in normal operating profits this year will be less dramatic than in the year to end-March, Afcol is nevertheless likely to achieve results which will keep it well ahead of the industrial pack.

Last year the group recorded an earnings improvement of 136% during the second half before taking into account the attributable portion of retained earnings of Romatex which became an associate in January. This was more than double the 56% gain of the first six months, and came from a turnover increase of 32% compared with 13% in the earlier period.

It is thus clear that earnings growth was significantly enhanced through the benefits of a more effective spread of fixed overheads as capacity use improved.

The same pattern is likely to continue this year, as Goss notes that Afcol still has some unused capacity and can streamline its product range to create even more. The group has no intention of expanding physical capacity at present, but there is room to stretch effective capacity by increasing the number of shifts worked.

Consolidation of the retained earnings of Romatex will enhance results even further. Last year, only 2c of Afcol's earnings were attributable to this factor, but Goss points out that had the change in investments been effective for the full year, earnings would have risen by a further 10c. For the current year, therefore, it is likely that Afcol could show earnings in the region of 69c (up 20%) even if operating profits remain unchanged. Dividends will continue to move in line with earnings as the company intends maintaining its twice covered distribution policy, although a much greater proportion of earnings will now be attributable to associate companies.



Afcol's Goss ... streamlining the product range

	77	78	79	'80
Return on cap %	14,8	14,4	15,5	19,6
Turnover (Rm)	91	100	116	142
Pre tax profit (Rm)	7,5	5,5	10,1	15,2
Gross margin %	10,1	7,9	9,0	14,0
Earnings (c)	22,5	18,1	28,4	57,6
Dividends (c)	11,5	9	14	29
Net asset value (c)	159	168	206	313

Although cover will remain the same on disclosed earnings, the change in profit mix does in fact mean that dividend policy will become more liberal. In the past the company effectively retained about half the income it received from investments but now, with investment income attributable entirely to equity accounted associates, it will probably be distributing slightly more than the actual cash income from this source.

This can most clearly be seen by analysing the effect of the consolidation of Romatex. Had this been done last year, Afcol would have shown earnings attributable to its investment in Romatex of 17,9c a share, of which half (9c) would have been passed on to its own shareholders. Actual income from Romatex, however, would have amounted to only 7,8c per Afcol share, a shortfall of 13% on the amount attributable to Romatex which the company would distribute.

Afcol believes other associates such as Romulcar, Spanker and Vitaform will tend to even out the situation. And in any case, says commercial director John Kirtley, the degearing which has taken place in the balance sheet over the past few years could indicate that past dividend policy has been too restrictive.

Despite a 56% increase in turnover over the past three years, total borrowings of the group have risen by less than R1m to the present R23,9m. With the growth in total shareholders' funds from R47m in 1977 to over R60m before adjustment for market value of investments, the debt equity ratio has declined from 49% to only 40%, which management believes to be too low.

And if shareholders' funds are adjusted for current values of investments, the ratio drops even further to 31%.

For the present year, at least one stockbroker sees Afcol earning 85c and paying 43c — a 48% improvement in each case. This could even prove conservative as, after stripping out Romatex, it suggests a gain of only 33% in operating profit — which is virtually the same as the turnover improvement in the second half of last year. It may not, therefore, adequately reflect cost benefits from a further improvement in capacity use.

Nevertheless, at 450c even this forecast puts the share on a prospective yield of almost 10%, which represents excellent value under present market conditions.

Brian Thompso

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FM 1/8/80 188

FURNITURE

Sitting pretty

"Boom? What boom?" That is what most furniture retailers are asking after the first six months of 1980. They admit that trading conditions have been buoyant and that consumer confidence is restored to the extent that customers are committing themselves to 24 months of instalments. But most of the companies are awaiting the second half of the year, traditionally a far more profitable period, before acknowledging any boom.

Sales figures for June were much higher than in previous months. In addition the proportion of cash turnover to credit increased. Customers were probably drawing from savings in anticipation of the July tax cuts.

Whether the new cash credit ratio will be maintained is not certain, but several retailers would be unhappy if it did. Apart from feeling the pinch from price discounts which go with cash payment, retailers like HP sales because they bind the customer for the duration of the instalments. At least that is the argument of one retail chain MD.

Perhaps more to the point, there is the additional profit from financing operations. Not surprisingly, however, most managers deny that the difference between the 21% effective interest rate on HP and the much lower rate at which they can raise debt is pure profit. They point out that administration of credit control plus an allowance for bad debts must be funded out of this amount, implying that that leaves little profit on HP transactions. However with money market rates as low as they are, the difference between the two rates is so abnormally wide that substantial profits on the financing of the transaction are likely.

Profit source

This puts the furniture retailer in a rather different position to the normal cash retailer or manufacturing company where debtors are mostly of an interest-free trade nature and, in fact, represent a cost to the company. HP debtors represent a definite profit source rather than tie up ordinary working capital.

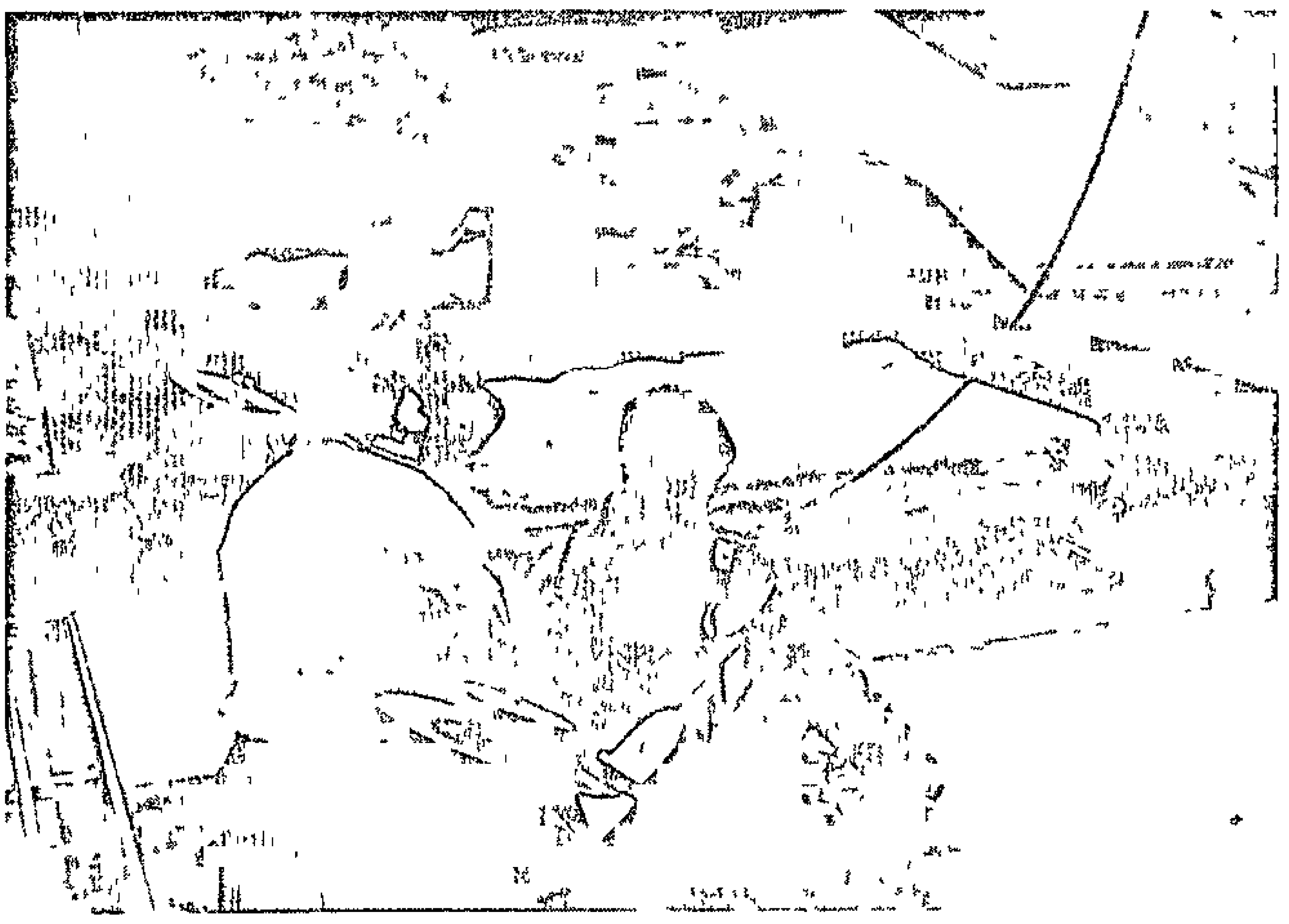
Because of the nature of the durables they sell, furniture retailers all offer HP facilities, but the percentage of credit sales differs from group to group and even from chain to chain. But the large amounts of 24-month debtors have to be funded and the financial structure of the companies reflects relatively high debt and high dividend cover.

Bradlows currently has the lowest debt equity ratio at 49%, because the group has utilised cash flow from the collection of debts from a discontinued chain. However the company plans to gear up further once this source of funds dries up.

Shareholders may well question whether high dividend covers are absolutely necessary. Amrel maintains the lowest cover at three times and has the highest debt equity ratio at 109%. The others have lower debt but cover payout at least four times. It seems therefore that they could comfortably gear to more than 100% with their HP debtors as security, and pay more generous dividends.

As everyone expects higher sales in the current half-year, retailers have been building up stocks and ordering well in advance for more goods. But there is a serious threat of shortages in the coming months and some manufacturers are expected to close order books within a month or two, as they cannot cope with demand.

The causes of the bottlenecks are twofold. During the sluggish years of 1978-79, many of the industry's smaller manufacturers closed down, meaning that total capacity shrank. And the bigger manufacturers which should now be benefiting from the upturn are beset by shortages of skilled labour due both to the smaller numbers entering apprenticeships and to the attractive salaries being paid by building and construction firms that are drawing away their carpenters. It appears that it will be those retailers who have planned far enough ahead who will be the only ones with sufficient stocks to meet consumer demand.



Manufacturing furniture for boom times

Although manufacturers have announced price increases averaging 16% for the year, retailers have tried to limit price hikes by replacing materials with cheaper substitutes, altering styles and in the last instance absorbing some of the increases themselves. On this basis, turnover growth announced by the furniture companies in most cases represents real growth.

Considerable upside

If share prices follow earnings growth in the next few months, then there appears to be considerable upside for the sector with its average prospective yield of 6,7%. Most spectacular performers over the past few months have been the two SA Breweries subsidiaries, Amrel and Afcol.

Amrel, a relatively young company with expansion potential, receives 77% of profits from its furniture businesses. It is less exposed than other chains to bad debt risks as its trade is aimed mainly at middle and upper income sectors. These factors plus improved results for the year appear to be causing a reassessment of the share by the market, as its price has risen by 30% over the past month.

Currently at 800c, the share yields an historic 5,2% and MD Ronnie Cohen says that earnings for the first three months of this financial year exceed budget. On a possible total dividend of 56c this year, the share yields a prospective 7,3%, indicating that in spite of its rapid appreciation over the past month it still has upside potential.

While not a retailer, furniture manufacturer **Afcol** last year benefited from more extensive use of capacity and pushed up earnings from R6,7m in fiscal 1979 to R13,9m for the year to end-March 1980. Chairman Dick Goss predicts that growth in normal operating profits this year will be less dramatic. But with spare capacity still available the company should benefit from growing demand for stocks.

A total of 29c (14c) was paid on earnings of 57,6c (28,4c) per share in line with the company's twice-covered distribution policy. The share price has risen 31% over the past month to 590c and a possible payout of 43c would place the share on a prospective yield of 7,3%.

Apart from the traditional chain bearing the group name **Russell** has established a number of other chains including Rudicks, Wanda (a black chain), Joshua Doore (furniture showroom and warehouse under one roof) and 40 Winks (specialist bedding stores). Turnover for the year to end-April rose 31% against the industry average of 20%.

Last year's earnings of 67,0c per share were considerably higher than any achieved in the preceding four sluggish years. And with consumer demand expected to peak towards December, this year's results should be better. At 280c the share yields an historic 5,7c on its 16c (11c) final. But even though profits may be better this year the dividend cover will be pegged in line with a stable cover policy.

Bradlows remains a tightly-held share, so although there are buyers around, sellers appear to be waiting for its profit announcement for the year to end-June before making any moves. Yielding an historic 4,6%, the share has limited marketability so that news of higher earnings for 1980 when announced could push the price well above its present 130c.

One of the retailers catering solely for the black market, **Ellerine,** announced a 42% increase in earnings for the six months to end-December 1979. Currently averaging a new store opening every fortnight it has almost reached the 200 target. But at 187 it now seems that the company will go on expanding beyond the goal as long as suitable sites for the stores are available. On the basis of a 22% earnings growth for the whole financial year it could pay 29c (24c) on earnings of 117c (96c). Yielding a prospective 5,8%, the share remains tightly held.

Of the remaining retailers black chain **World** (on a 4,2% yield) and Natal-based **Beares** (yielding 4,7%) also expect to profit from consumer spending on durables and semi-durables in the coming six months. On this basis the sector should provide some worthwhile buys whether furniture retailers are shy about acknowledging boom conditions or not. *Lynn Haise*

Hugh Parker optimistic

(188) RDM 5/8/80.

By Financial Reporter

WITH its Pretoria Furniture Factory subsidiary in liquidation, the Hugh Parker group, helped by the consumer boom, is optimistic about increased earnings in the future, according to the annual report for the year to end February.

The furniture division has become very active and a "very good profitable year is expected," says the chairman, Mr J H Pretorius.

The report says that subsidiaries Pretorius and Praetor Industrial (veneer board manufacturers) performed "very well" in comparison with previous years and good results are expected for the year ending February 1981

Group pre-tax profit was up at R296 543 (R144 977). Taxed profit soared to R250 514 (R48 933) as a result of a much lower tax rate of 0,15 (0,66). This occurred because of the devaluation suffered by the company a few years ago. The group plans to utilise this concession in the forthcoming year.

The group paid a 3,5c (2,5) dividend on earnings of 13,9c (2,7) a share, representing a dividend cover of four times (1,1) which the company considers to be healthy.

Retained income was up at R394 051 (R212 859), the current ratio was down at 1,98 (1,99), and the net asset value was up at R2 994 262 (R2 891 059)

At 65c, the share currently yields 5,4%.

WPD (L88) DD 11/8/80

Fire destroys factory

KING WILLIAM'S TOWN — Fire completely destroyed the workshop of a Dimbaza furniture factory early yesterday

The fire is believed to have started about 2am, but by the time the King William's Town fire brigade reached Dimbaza the entire Nouveau Furniture Manufacturing Company's factory had been destroyed

A Ciskei National Development Corporation spokesman said a full investigation would be launched into the cause of the blaze — DDR

188

EL workers ordered out after refusing to work

EAST LONDON — The work force at a pallet-making company here was ordered out of the factory yesterday after they refused to work.

This was confirmed yesterday by the director of Border Boxes, Mr Mike Cahill, who refused to discuss the reason for the work stoppage.

However, one of the employees, Mr Amos Mfamana, claimed the 62 workers walked out because he had been dismissed earlier in the morning.

Mr Mfamana is the chairman of the workers' committee at Border Boxes appointed by members of the South African Allied Workers' Union (SAAWU) last month

He claimed he was manhandled by one of the foremen at Border Boxes after an argument over how many pallets he had made on Tuesday.

"The foreman grabbed me by the front of my jacket and started shaking me around, asking why I had only made 45 pallets that day," Mr Mfamana said yesterday

"I managed to get loose but then he came over and told me I was going to be fired on Friday for disobeying him "

Mr Mfamana said he wouldn't go, and was taken to see management.

"They told me not to argue with the foreman and said I was dismissed "

When they went outside, said Mr Mfamana, workers confronted Mr Cahill and asked him why their committee chairman was being dismissed

(Mr Cahill told themMr Mfamana had not been dismissed, so they went back to work.

Later, Mr Mfamana said, he was called aside and told a second time that he was dismissed However, he refused to sign off or accept his pay.

Yesterday morning he reported for work as usual, and was taken to see management again

"They told me to take my money and sign off," he said.

"When I walked out the workers stopped again and asked Mr Cahill why I had been dismissed and why I was manhandled

"Mr Cahill told them I was fired for arguing with the foreman "

Workers told the Daily Dispatch they were not satisfied with the explanation and felt their union leader was being victimised

They said the Security Police arrived soon after 8 am and at 10 am Mr Cahill told them to leave the plant

Mr Cahill told the Daily Dispatch the workers could return today and he would rehire the workers he wanted

"If I haven't got enough people, I'll employ new workers or bring them from our other branches," he said

Mr Cahill refused to discuss the allegations made by Mr Mfamana and accused the trade union of "trying to make some mileage out of this"

"Mr Mfamana can make whatever allegations he wants," Mr Cahill said

He said he would be prepared to discuss the matter this morning "after this has been resolved"

Workers interviewed at the SAAWU offices yesterday lunchtime said they would not go back to work if Mr Cahill was going to be selective

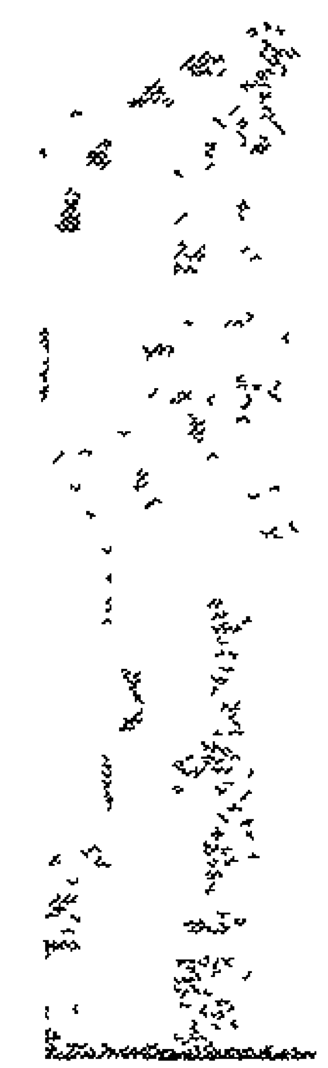
"We feel management is discriminating against the trade union," Mr Mfamana said

Three committee members, Mr Vusumzi Maghina, Mr Mqokeleli Luvuno and Mr Johnson Pute, claimed they had been warned by their foreman that they were going to be fired because of their union affiliation.

Mr Cahill refused to discuss the trade union's position in the factory or any claims made by workers

"This trade union business has been brewing and it has now reached a head," he said

"Everything will be sorted out eventually" — DDR



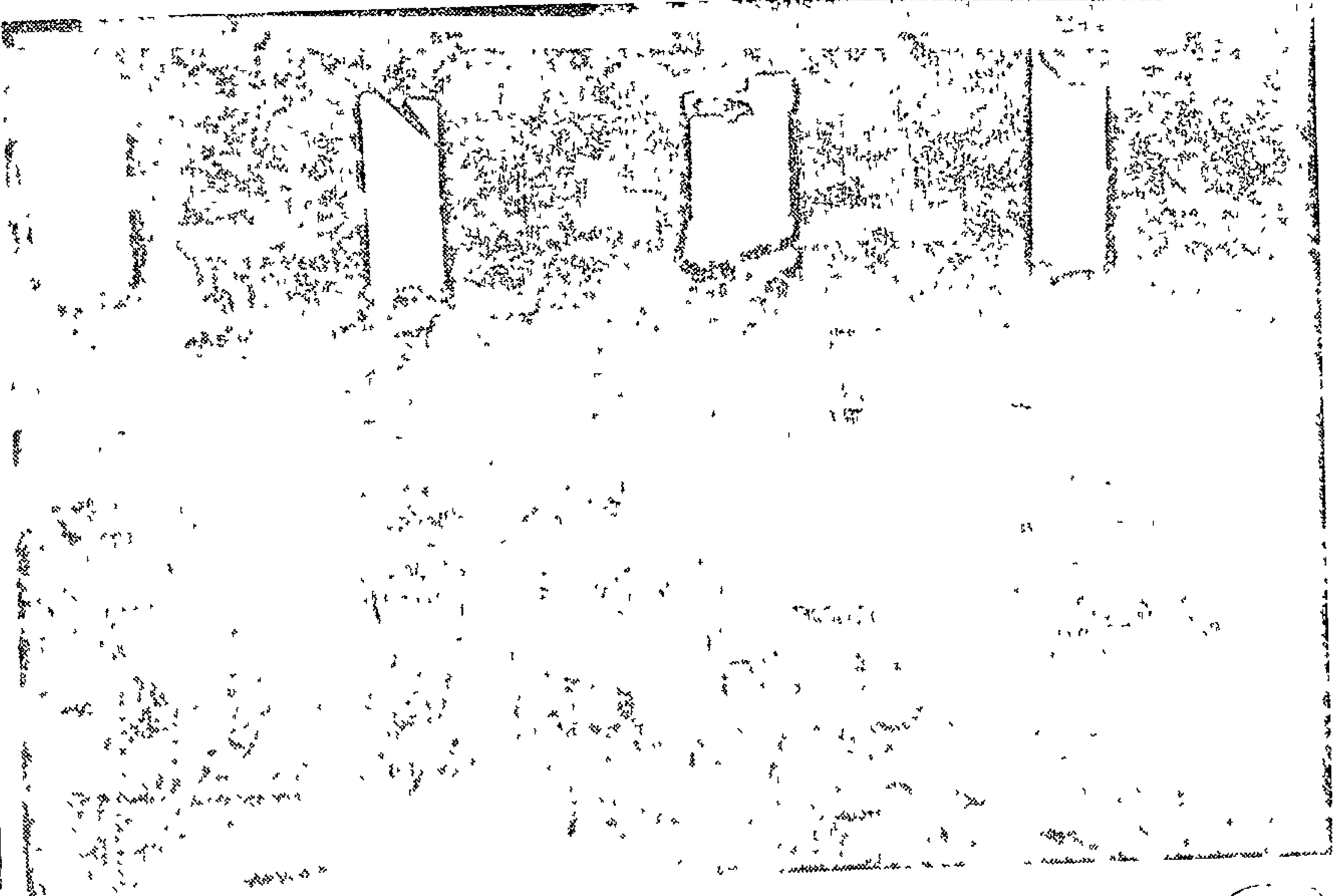
MR M

Confirm

SECTION B

UNIVERSITY OF CAPE TOWN
EXAMINATION ANSWER BOOK

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order ... has ... and



The charred skeletons of armchairs after a fire swept through the San Remo upholstery factory in Dimbaza on Sunday morning.

DD

188

R320 000 fire damage to Dimbaza factory

12/8/80

KING WILLIAM'S TOWN — Estimates of fire damage caused to a factory in Dimbaza on Sunday morning have been put at about R320 000

The chairman of the Ciskei National Development Corporation (CNDC), Mr Frans Meisenholl, said the CNDC-owned building was worth R170 000

"The CNDC did not own the contents so I cannot be certain of the value, but I would guess the contents were worth about R150 000," he said

Although the factory carried the name Nouveau Furniture Manufacturing Company, it was in fact the San Remo Upholsters factory a subsidiary of a Johannesburg-based company, Lilax

Lilax had taken over the factory shortly before the fire completely destroyed the workshop and storage space

The office block next to the factory, was not damaged

Mr Meisenholl said the CNDC may have a building at Dimbaza which could accommodate San Remo

"We are looking at the possibility of putting San Remo into another building almost immediately

"The CNDC has put up buildings for rental and we hope we will be able to lease a building in Dimbaza to San Remo

"If this is possible, San Remo will be able to restart manufacturing within a few weeks," Mr Meisenholl said

The cause of the fire is not known yet — DDR

... blue or black ink must be used for written answers The use of a ball point pen is acceptable Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used

3 Names must be printed on each separate sheet (e g graph paper) where sheets additional to examination book(s) are used

4 Do not write in the left hand margin

2 Candidates are not to communicate with other candidates or with any person except the invigilator

3 No part of an answer book is to be torn out

4 All answer books must be handed to the commissioner or to an invigilator before leaving the examination

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

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Daily Disp 12/9/80 (188)

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32 workers back on job at box factory

EAST LONDON — Half the work-force at Border Boxes here started work again yesterday after being ordered off the premises on Wednesday

The other workers were paid off

The director of Border Boxes, Mr Mike Cahill, said all 64 workers who downed tools had reapplied for work yesterday morning

More than 40 of them were rehired and entered the factory, but 15 left the factory minutes later after they were allegedly intimidated by those outside the gate

"We were left with 32 of the former staff, a group of new workers, and a crew from our Mooiplaas factory," Mr Cahill said yesterday.

Wednesday's strike followed the dismissal of Mr Amos Mfamana, chairman of a workers committee at Border Boxes elected by members of the South African Allied Workers Union (SAAWU)

Mr Cahill said yesterday Mr Mfamana was dismissed because of insubordination when he was asked to explain an argument with his foreman

"I told Mr Mfamana the only way we could sort out the problem would be for him to get out "

Mr Mfamana refused to accept his pay and refused to sign off

"The next thing, all the workers downed tools "

Mr Cahill spoke to the workers and they eventually went back to work

However, on Wednesday morning Mr Mfamana again refused to accept his pay and was asked to leave As he walked out of the office block, one of the workers asked him what had happened and ran into the building to tell the others

When they heard what had happened, the workers downed tools

Mr Cahill said he gave them a choice either go back to work or go

"At last I lost my patience and told them to clear the premises A lot of them didn't want to go, but eventually they all left and we shut the factory down "

Yesterday, Mr Cahill said, he told workers at the outset that he would not recognise SAAWU or the people elected to the workers committee at SAAWU's offices

"The staff can elect who they like as their representatives — as long as it is done on the premises "

He rejected the committee put forward by SAAWU and said most of the members and shop stewards had only been with the company for a short while

At least nine staff members had not attended the meeting, Mr Cahill said, so the committee was not democratically elected

He pointed out that he was not happy with the fact that Mr Mfamana was elected committee chairman after only working for the firm for two months

He had given the workers an opportunity to elect a new committee to represent them on August 30, but fewer than 50 workers had arrived so there was no election

Most of the absentees were on the committee or had been nominated as shop stewards, he said.

However, he was grateful to SAAWU for getting rid of the "dead wood" at the pallet-making company

'The factory is running like a dream now I have got better people who are prepared to do an honest day's work "

He claimed the committee and shop stewards had become insubordinate since the union started to make its presence felt at Border Boxes, and had only needed a small excuse to spark off confrontation

Mr Cahill said he had given names to the police of the 32 workers who were paid off yesterday, and would not hesitate to call in their help if there was any intimidation

The branch secretary of SAAWU, Mr X Kota, denied Mr Cahill's claim that workers were intimidated

"We do not do this kind of thing," Mr Kota said

"If people want to work for them, we will not interfere "

He said the dismissed workers, including Mr Mfamana, would start looking for new jobs — DDR

NOTE CAREFULLY

1 The answers only on the right hand pages will be marked The left hand pages may be used for rough work, but no credit will be given for such work
2 Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering
3 Blue or black ink must be used for written answers The use of a ball point pen is acceptable Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used
4 Names must be printed on each separate sheet (e g graph paper) where sheets additional to examination book(s) are used

WARNING

1 No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed
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EDSON

R500 000 fire at Reef factory

(188) 27/11/80 ARGUS

Argus Correspondent

JOHANNESBURG. — A fire at a furniture factory in Micor last night caused damage estimated at more than R500 000

The alarm was raised by a watchman on the premises of Furncraft about 9.15 pm.

One engine was sent but could not control the blaze

A fire brigade spokesman said 'Because of all the wood that was burning, the fire was pretty intense and I had to call in another three pumps.

'I also requested a snorkel to enable us to pump in water through the collapsed roof.

The managing director, Mr Harry Sunasky, said today that the machine-shop had been gutted as well as vast stocks of wood and cloth

At least R500 000 worth of machinery has been destroyed.

'The stock I've been building up for the Christmas period has also been destroyed, and that will push the damage bill up considerably'

CARPETS FM 24/10/80 188

Those foreigners again

The Board of Trade and Industries' (BTI) refusal to push up duties on imported carpets leaves the R120m a year carpet manufacturing industry in SA facing strong competition from cheap foreign suppliers

Earlier in the year, the SA Carpet Manufacturing Association (CMASA) applied to the BTI to raise import duties on imported finished carpets With the slump in the northern hemisphere, foreign manufacturers, particularly from the US, are finding ready local markets for their goods

"Yes, there has been a certain amount of dumping by the US and we feel it is a threat to the industry," says Dunlop Flooring's MD, Nigel Yeadon

Yeadon points out that the problem lies in the limited issue of permits to import cheap raw materials Local manufacturers are forced — as are manufacturers throughout the textile industry in SA — to purchase raw materials from this country Costs here are considerably higher for fibres, yarns and petro-chemicals needed for fabric processing

"It seems as if an excess of imports has to be a *fait accompli* before government will impose higher import duties — allowing the horse to bolt before they close the stable door," Yeadon says

John Briscoe, MD of the carpet division of the Romatex group (which comprises some of the biggest names in the carpet manufacturing industry — Van Dyck, Constantia and Crossley among them), and chairman of CMASA, says the association has seen the encroaching effects of US carpet distribution in Europe

In the UK, for example, carpets imported from the US constitute a substantial 30% of the market

According to Briscoe, the BTI "appreciates and confirms" the US threat to the local industry, but says "The level of imports has not yet reached a point where disruption of the local market is taking place"

US threat

But the US carpet threat seems to be offset to some extent by the present boom Says Briscoe "As with all semi-durables, carpets are enjoying high growth rate at present and the industry considers that 1981 will be a good year"

BTI director Jerry Breyl is clear about the board's grounds for refusing to support the application for higher import duties "The board applied its normal yardsticks to the application and found that it wasn't justified The board found that the import level was not sufficiently high to warrant a higher duty"

The solution? In Yeadon's opinion more import permits for manufacturers to balance out the import benefits of local distributors Members of the industry feel that government's unwillingness to increase import duties on carpets at this stage is almost like sweeping business from under their feet

Afcol leaps ahead of last year at halfway

R.D.M.
28/10/80
188

By DAVID CARTE
Deputy Financial Editor

AFCOL, the furniture and upholstery group in the SA Breweries stable, virtually trebled profits in the six months to the end of September. The group earned and paid more in its first half than all of last year.

Turnover soared 50% to R100 837 000, pre-tax profit 179% to R15 615 000 and taxed attributable profit 172% to R13 893 000

Earnings a share were 170% better at 60,1c (1979:22,3c) and, with cover constant at 2, the interim dividend was raised in line to 30c (11c)

The full year's earnings last year were 57,6c and the dividend 29c

The furniture subsidiaries contributed 58,8% (63,1%) of taxed profit and equity accounted associates and non-furniture companies the balance of 41,2% (36,9%)

This means the non-furniture interests did even better than the furniture interests.

The company ascribes the group's "dramatic achievement" to an exceptional performance by the non-furniture interests and improved productivity resulting from greater capacity utilisation

Increased demand in the furniture and building sectors from January 1981 aided capacity use Streamlining the product range added to capacity — and profits.

On prospects, the joint managing directors, Mr A Berger and Mr J V Kirtley, say "It would be unrealistic to expect the same rate of improvement in earnings in the second half against a substantially higher base of comparison"

Mr Berger tells me Afcol still has unused capacity to put to profitable use.

COMMENT. Perhaps second-half earnings will not be 170% better than the 35,3c earned last second half, but the consumer boom seems set to continue through the festive season.

With this and further capacity utilisation running in the company's favour, there is little doubt Afcol will add more than 40c in the second half. This is to suggest an improvement of 14% — the inflation rate

This suggests minimal total earnings of 100c and a total dividend of 50c at the yearend — an improvement of 74% odd.

These conservative figures would put the counter, at 680c, on a prospective PE of 6,8 and yield of 7,3%. The price must go higher.

Afcol's interim a good pointer to SA Breweries

By Colin Campbell
Deputy Financial Editor

Belief that interim results from South African Breweries can only be excellent is substantiated further by today's glittering results from Afcol

Half-time profit of Afcol is up from R5,09m to R13,89m, to record a 172 percent advance, and the interim dividend has been raised from 11c to 20c a share. In all of the previous financial year, Afcol reported an attributable profit of R13,32m, and made a total distribution of 29c a share.

Though there is understandable caution from the board that shareholders should not expect the same rate of improvement in the second half, it is surely safe to assume that the second half will be good and that there will be a fatter final dividend than last year's 18c a share final.

There is a breakdown between earnings derived from furniture manufacturing and from equity accounted associated companies and other non-furniture manufacturing interests. Last year Afcol increased its stake in Romatex to the point where it could equity account its interest. Because the stake in Romatex was increased during the latter part of the financial year, the Romatex contribution was then modest.

I have not seen the latest Romatex figures published yet, but assume that there has been an "intelligent" guess at Afcol as to its share.

Even so, there has been organic growth at Afcol which has been generated from the increased demand for furniture which in turn has been born from the overall pace of the economy.

Furniture manufacturing contributed 58,8 percent of half time earnings compared with 63,1 percent previously and 64,2 percent in all of the previous financial year.

Because of the element of equity accounting, turnover growth should not be related directly to net earnings growth but for the record half time turnover was up 50 percent at R100,8m.

The board has authorised, but not committed, a further R9,56m of capital expenditure, which suggests a readiness to move should it be proved that the market has further to expand.

The economy could be in for a period of digestion. It could be in for a period of further growth. Either way, Afcol has already gathered 60,1c a share under its belt for this year against 57,6c a share for the whole of the previous 12 months, and its non furniture manufacturing interests are clearly strong.

At 650c and on last year's final and this year's interim, totalling 43c, the shares yield 7,1 percent.

For growth and income Afcol, in my book, is a buy.

East London hit by another factory strike

Labour Reporter

EAST London was hit by yet another strike yesterday when the entire workforce of about 170 workers at East London Furniture Industries downed tools

A spokesman for the South African Allied Workers Union (Saawu), Mr Xolani Kota, said workers had been told to collect their pay and return to work on Monday when they would be re-employed selectively

The company could not be reached for comment last night

East London has been hit by a wave of strikes this year, many of which have been sparked by management unwillingness to talk to unregistered unions

Mr Kota said the strike followed considerable tension at the factory after management had "introduced" a parallel furniture workers union

He said management had been actively assisting this union by calling workers in and asking them to sign membership forms

However, most of the workers had resigned from this union and had joined Saawu They had . , disbanded their official liaison committee, which they rejected

Recently, management had asked workers to elect their own committee When workers presented this committee to management, the company had refused to deal with it because it had been elected under Saawu's auspices

"They said they did not want to deal with an outside organisation, despite the fact that they are prepared to deal with a rival union Workers explained that the committee was democratically elected, but management did not react," Mr Kota said

He added that management's decision to ask workers to elect a committee was "premature" because Saawu had been on the verge of approaching the company and asking it to deal with a Saawu committee

However, yesterday's strike appears to have been directly caused by a meeting at which worker representatives met management to complain about a company notice claiming that workers were being "intimidated" into joining "a particular one" and warning that those responsible would be dismissed

Workers interpreted this as an attempt to dissuade workers from joining Saawu

Management had said at this meeting yesterday morning that it was prepared to discuss worker grievances at 3pm However, workers became angry when they were told they would lose half-an-hour's pay as a result

"Management said workers were initiating the meeting and that they should be prepared to lose pay as a result This appears to have made workers very angry," Mr Kota said

CURRICULUM VITAE

Klaas van der Poel

Has a degree in Operations Research from Tilburg, Holland. He has been with Shell International for 10 years and worked for that company as an international consultant in several countries around the world.

His experience includes the design and development of systems for financial management, manufacturing control and production optimisation.

He has taught courses in Management Information Systems and Operations Research at the Business Schools of the Universities of Cape Town and Stellenbosch.

He is recognised as a member of the consultants group of the Computer Society of South Africa and specialises in requirement definition and design of industrial systems.

Management 'running away'

STAR 19/11/80 (188)

Own Correspondent

CAPE TOWN — The management of East London Furniture Industries was yesterday accused of "running away" from negotiation after dismissing 170 black workers on Friday.

The secretary of the South African Allied Workers Union (Saawu), Mr Xolandi Kota, said the union was trying to negotiate with management to get the fired employees back to work.

"I have been trying to put out feelers for two days now, but the managing director, Mr P W Makie has been unavailable for this time.

"We have telephoned, called and left messages, but management refuses to answer them."

Mr Kota said the workers had refused to collect their pay because they did not regard themselves as dismissed. He denied the workers had gone on strike. They had only held a grievance meeting on the factory's premises.

They were about to return to work when officials from the Labour Department arrived and threatened them with prison or fines for striking illegally, he said.

The workers then refused to return to their jobs.

Nationwide boycott planned by union

STAR 20/11/80. (188)

By Drew Forrest

The South African Allied Workers' Union (SAAWU) is to stage a nationwide boycott of an East London furniture group which has refused to negotiate on the reinstatement of its black workforce, dismissed after striking last week.

Union members throughout the country would be asked to boycott the products of East London Furniture Industries (Pty) Ltd over the Christmas period, SAAWU general secretary Mr Sam Kikine said yesterday.

The union would also seek the support of community organisations, churches, trade unions and foreign labour groupings such as the Zimbabwe Congress of Trade Unions, Mr Kikane said. A large proportion of the furniture produced by the factory is exported to Zimbabwe.

Drastic measures had become necessary, he stressed, to "show management that SAAWU is not a union to be fooled around with."

Mr Kikane said that since the 176 workers had been dismissed last Friday management had "dodged" all union overtures to discuss their reinstatement.

Central to the workers' grievances is the claim that they were forced to join the National Union of Furniture and Allied Workers' of South Africa (NUFAW) — a registered body affiliated to Tucsa.

In a Press statement, NUFAW assistant secretary Mr A J M Groenewald said that in terms of a registered "closed shop" agreement the company could employ only members of his union.

"The South African Allied Workers' Union has no legal right to approach any employee in the furniture industry to discuss terms with them," he said.

Closed shop bars Saawu says union official

DD 21/11/80

EAST LONDON — The South African Allied Workers' Union (Saawu) had no legal right to approach any employee in the furniture industry, the director of organisation for a registered trade union said yesterday

Mr A J. M. Groenewald, of the National Union of Furniture and Allied Workers, yesterday dismissed Saawu claims that the management of East London Furniture Industries was assisting a rival union to recruit members as completely false.

"There is no rival parallel union in the furniture manufacturing industry The South African Allied Workers' Union has no legal right to approach any employee in the furniture industry or even discuss any terms with them," he said

In a statement to the Daily Dispatch, Mr Groenewald said in terms of an industrial agreement no employee who was not registered as a member of his union could be allowed to work for any employer registered with the employers' association

Mr Groenewald's full statement reads.

"The strike action at the firm of East London Furniture Industries was instituted by the direct actions of the South African Allied Workers Union which is not a registered union in terms of the Industrial Conciliation Act No 28 of 1956 as amended

"During the period 1932-1950 employees employed in furniture manufacturing were eligible for trade union membership of the East London and Border Furniture Workers' Union.

"This union was registered in terms of the IC Act. From 1950 the National Union of Furniture and Allied Workers of South Africa incorporated the East London and Border Furniture Workers' Union

"The National Union of Furniture and Allied Workers of South Africa is a registered trade union in terms of the Act and is fully integrated for all race groups.

"The National Union of Furniture and Allied Workers is registered to represent employees employed in the furniture manufacturing industry, the coffin manufacturing industry, the sawmilling industry, the woodworking industry and the plywood industry of South Africa

"East London Furniture Industries, which was previously known as Beard Ellis and Berlyn, is a registered member of the East London Border and District Manufacturers' Association This employers' association is registered in terms of the IC Act.

"Prior to the formation of the employers' association in the East London Area, the firm was a registered member of the Midland Furniture Manufacturers' Association, which still exists and is also registered in terms of the Act

"This employers' association covers various areas, inter alia the East London area

"During the early part of 1980 a separate industrial council known as the Border Industrial Council for the Furniture Manufacturing Industry was registered in terms of the IC Act

"The parties to this Industrial Council comprise the East London, Border and Districts Furniture Manufacturers' Association, the National Union of Furniture and Allied Workers and the National Association of Furniture and Allied Workers

"The last named trade union has now amalgamated with the National Union of Furniture and Allied Workers of South Africa.

"An industrial agreement negotiated by the parties to this industrial council is currently in force and only expires on March 20 1982

"The National Union of Furniture and Allied Workers is the only legal body which has the right to negotiate conditions of employment and benefits for the employees in the furniture manufacturing industry

"The union is fully represented throughout South Africa

"The statement made by the South African Allied Workers' Union that the company was actively assisting a rival parallel union to recruit members is completely false

"There is no rival parallel union in the furniture manufacturing industry The South African Allied Workers' Union has no legal right to approach any employee in the furniture manufacturing industry to register or even discuss any terms with them

"They have no legal standing

"In terms of clause 23 of the industrial agreement no employee who is not registered as a member of the National Union of Furniture and Allied Workers may be permitted to work for any employer who is registered with the employers' association

"The company has been officially informed that it may only employ persons who comply in all respects with the provisions of the industrial agreement, including the closed shop provision

"These employees must comply with the membership provision of the National Union of Furniture and Allied Workers' constitution

"The media must clearly understand that the National Union of Furniture and Allied Workers has, and always will, work in the best interests of its members and, as a responsible registered trade union, will not involve its members in any strike action — DDR

Men to test labour laws

DD 21/11/80

EAST LONDON — Workers dismissed after a stoppage at East London Furniture Industries planned to turn up for work as normal today as part of a strategy to test new labour legislation and the Wiehahn recommendations, Mr S K B Kikine, general secretary of the South African Allied Workers' Union (Saawu), said yesterday

According to Saawu, about 170 workers were dismissed after a dispute with management last Friday about attempts to make them join a "parallel union"

Mr Kikine said some of the dismissed workers were approached by security police on Wednesday night who told them they could report for work yesterday

About 30 had turned up for work and all except two had been re-employed The two who were turned away said they had been told they were inciters

Mr Kikine said the re-employed workers suspected they had been given back their jobs only so they could train new workers and that they could then run the risk of dismissal

All the workers, apart from one or two who feared victimisation because they had been labelled as inciters, would report for work today to see if they would be taken back

If the company did not re-instate all the workers, it would be a contravention of industrial laws and would amount to a "lockout"

Mr Kikine said the workers' view was they had not gone on strike They discussed their grievances with management and, while waiting for a reply, were called together by three representatives of the Department of Manpower Utilisation and told they were on strike and could face charges.

Accusing the company of "unfair labour practices", Mr Kikine said it was illegal for an employer to force a worker to join a union of the employer's choice He said workers had been threatened initially and told they would be dis-

Accusing the company of "unfair labour practices", Mr Kikine said it was illegal for an employer to force a worker to join a union of the employer's choice He said workers had been threatened initially and told they would be dismissed if they did not join the union

"We will test the new laws and the Wiehahn recommendations and if they are ineffective, they will be exposed," he said

The head of the security police in East London, Colonel A. van der Merwe, said yesterday he was not aware his men had called on dismissed workers "but it is quite possible It has been done in the past People are afraid of intimidation and we visit them and give them an assurance they can return to work," he said

Mr Kikine also called on the company to send a representative to Saawu's office to return workers' building society books held by the company

The books were until recently held for the workers by the building society concerned, but a spokesman said this system had proved unsatisfactory. He said workers would quote their clock-in numbers when wanting to draw money and in some cases had no other identification. This situation had resulted in some cases of fraud and it had been decided to return the books to the paymasters of companies whose employees banked under this system.

He said the paymasters were in a better position to identify workers and emphasised the decision affected a number of other companies and had no bearing on the situation at East London Furniture Industry.

Mr Kikine said dismissed workers would be unwilling to approach the company individually to collect their books for fear of victimisation.

He said he would approach the company to send a representative to the Saawu offices to return workers' books there — DDR

BER 4, 1980

DD 4/12/80

Conditions were poor — workers

1334 (MA/DD) 1385

EAST LONDON — Former East London Furniture Industries workers who lost their jobs when they allegedly would not let a trade union meeting take place at the Dyer Street factory here on November 14, have claimed that trade union affiliation was not the major issue in their downing of tools

"The real issue was general dissatisfaction with working conditions at the factory," the workers said

"The question of trade union affiliation was the last straw because we realised that it would be difficult for us to get redress of our grievances through a trade union promoted by management

"While the trade union issue seemed to have been the major issue because of circumstances at that particular time, it was preceded by many other complaints which had not been settled

Issues raised by the workers as having brought matters to a head over a long period were

— Lack of adequate facilities for protection against dust which is a real hazard in many departments in the factory

— Working on machines which did not conform to basic safety standards

— Dissatisfaction with the operation of the medical aid scheme

— Dismissals and demotions which were generally unexplained and often leading to blacks being replaced with coloured workers — Calling for high educational standards when employing sta and disregarding qualifications when placing people on jobs

— And being told they were talking nonsense every time they raised their complaints with management.

On safety, several issues were raised and included machines that were not adequately made to cut the possiblity of accidents to a minimum, no provision of respirators against dust, no safety shoes and no overalls in areas where these were necessary

On the medical aid scheme the workers said they contributed R1 a week but every time they went to see a doctor they had to pay for prescriptions and when they returned from sick leave they only got a quarter of their weekly pay

"What is the point of contributing to the scheme when we have to pay for all the medicine we use and what is the advantage of the scheme if we are not paid when we are off sick?" a worker asked

They quoted several instances of dismissals and said a good example of demotion was when a time-keeper who is matriculated was demoted and sent to work in the boiler room

The managing director of the company, Mr P W Mackie, refused to hear what the workers had to say.

"I am not interested in conducting a public debate on nonsense," he said

"They are making a lot of wild statements which have no basis and I am not interested, really, in getting involved in a public debate through newspapers with them" Mr Mackie thanked the reporter for offering the opportunity to reply to the allegations — DDR

Workers allege harassment threat

DD 11/12/80

EAST LONDON — Two former East London Furniture Industries workers have claimed members of the South African security police have threatened them with "fullscale harassment".

Mr Morena Manzi and Mr Sipho Dlutu, who were among the 170 workers who lost their jobs at the factory last month, said they had been approached by four men — three white and one black — at their homes on Sunday night

Mr Manzi said the men arrived at his Mdantsane home at 10 pm and forced the door to his room open after speaking to his father

"They said I was a former E L Furniture Industries employee and demanded my reference book," Mr Manzi said.

They also told him he should not lie in bed when they were talking to him

"I was accused of having introduced the Allied and Furniture Workers' Union and led to the dismissal of many workers at the factory

"They said I had threatened workers and forced them to join Saawu and ultimately forced them to walk out on their jobs

"After this they promised me full-scale harassment."

Mr Manzi said he challenged the men to name one worker he had threatened or forced out of work but they told him they had nothing further to discuss with him as they had delivered the message they had for him He said the men also wanred him against harassing unemployed workers by mobilising them and if he continued doing so they would refer him to Brig Charles Sebe to detain him under Proclamation R252

Mr Dlutu said the men told him to go back to his job.

They also told him that Mr Manzi had said he and Mr Elvis Salman had started the trouble at the factory

Mr Dlutu said he challenged the men to bring Mr Manzi but they refused.

The head of the security police here, Col A P van der Merwe, refused to comment on whether his men had called on the two men — DDR

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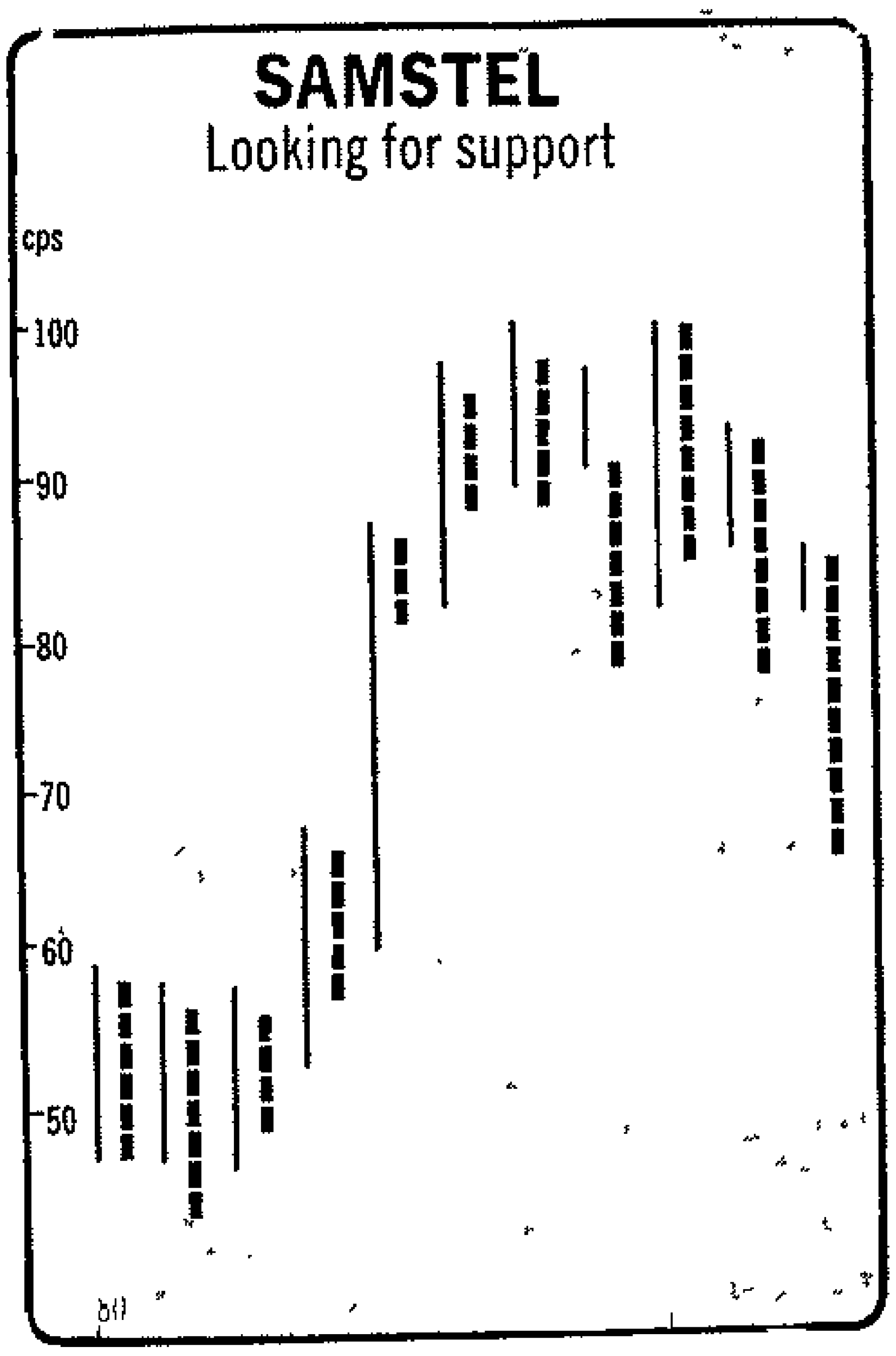
FM 6/2/81

SAM STEELE 188

Revitalised

Activities *Investment and finance company with subsidiaries manufacturing and retailing furniture Owns 100% of Steel & Barnett*
Chairman *H A McNeil, managing director B M Goldberg*
Capital structure. *10,9m ordinaries of 50c Market capitalisation R7,4m*
Financial: *Year to August 31 1980 Borrowings long- and medium-term, R2m, net short-term, R5,1m Debt equity ratio 63,3% Current ratio 1,9 Group cash flow R1,4m*
Share market. *Price 68c (1980-81 high, 102c, low, 43c, trading volume last quarter, 1,4m shares) Yields 18,1% on earnings, 8,8% on dividend Cover 2,1 PE ratio 5,5*

	'77	'78	'79	'80
Return on cap %	11 6	10 7	11 0	14 2
Turnover (Rm)	17 9	20 6	20 9	24 4
Pre-tax profit (R'000)	1 164	1 120	1 224	2 370
Gross margin %	6 5	8 2	10,1	13,6
Earnings (c)	5,2	5,8	6 3	12 3
Dividends (c)	3 5	3 5	4	6
Net asset value (c)	73	75	78	102



After doubling earnings in the year to end-August, Sam Steele expects further substantial advances in turnover and profitability for 1981 Chairman Hugh McNeil says, in the new-look annual report, that trading in the first five months of the current financial year has been buoyant, which suggests that the consumer boom still has sufficient momentum to keep the group on its new growth tack

The past year was a record growth period Turnover increased 26,1% to R24,4m, but improved operational gearing produced gross profits (pre-tax and interest) 63,3% higher at R3m (R1,9m) After tax and minorities, net profits were nearly doubled to R1,3m (R667 000), giving earnings of 12,3c (6,3c), from which dividends of 6c (4c) were paid

The past year was also important for the group in that it resumed expansion of its retail division In 1980 three new outlets were opened, giving a total of 75 stores nationwide, and a further six are planned this year.

This expansion has been made possible by the continuing strength in consumer demand and the group's infrastructure which is capable of meeting the needs of a larger trading base Hence the forecast that profitability will improve this year

Financially, the group was strengthened materially in 1980. Total borrowings were re-structured with the negotiation of a R2m medium-term loan, and further borrowings facilities have been arranged should the need arise Thus at end-August, total borrowings were R7,2m (R6,1m), giving a debt equity ratio of 63,3% (69,3%) Gross profit cover on interest and leasing was 3,5 (2,4) MD Montie Goldberg says Samstel could, if necessary, increase gearing considerably and still retain a sound financial structure

It seems unlikely, however, that gearing will change much in the current year because of the strong cash flow and the group's traditional conservatism Goldberg says Samstel has increased its bad debt provision to R400 000 (R350 000) a year, but collection rates remain sound

When control of the group changed hands last year, Samstel's manufacturing and property assets were considered dull performers by the market However, the manufacturing side showed very strong profit growth and the property portfolio was revalued, adding 17c to net worth In addition, with the Steeledale land zoned for commercial and industrial purposes, its balance sheet value could be further enhanced this year

For the current year McNeil expects turnover growth will exceed that of 1980 But with stockturn up at 7,8 (7,3) times, debtors well controlled and possible further gains in operating margins, gross profit should perform even more strongly

At this stage it would not be unreasonable to expect earnings to advance by at least 30% to some 17c a share, with a minimum dividend of 8c On what could be a conservative forecast, the share at 68c yields a prospective 11,8% This appears cheap, given the stronger financial state of the group and especially if the industrial market recovers *Des Kilalea*

DATES TO REMEMBER

Last day to register for dividends:
Friday February 13· Coates 16c, Delswa 12½c, Everite 12c, Fedfund 7,02c, Greatermans Ord & A 35c; Jaff-Delswa 3c, NFS Motors 2½c, Pioneer 6c; Sorec 4c
Meetings:
Monday February 9 Anglos (S), Natal Anthracite (S), Sorec (S), Wankie (S) Salisbury
Tuesday February 10. Searles (S)
Wednesday February 11. Putco
Thursday February 12: Anchusa (S) (Cape Town), Lion Match (Durban)

All meetings are Johannesburg unless otherwise stated
S = Special meeting

ARGUS 11/2/81

~~137~~ ~~263~~ 188

Row over factory noise

Municipal Reporter

THE Cape Town City Council is to cross swords with one of the city's biggest furniture factories over excessive noise

According to a petition signed by 55 residents of Pinelands, the Fivstark factory in Ndabeni is excessively noisy to the extent that it is a public nuisance

The council has been inundated with complaints about the noise from residents living close to the factory which abuts Old Mill Road in Ndabeni

Houses in Gousblom Road Pinelands are separated from the factory by a belt of gum trees which also forms the boundary between Cape Town and Pinelands

According to a report by the Town Clerk, Mr H G Heugh the council's own noise readings confirmed that the noise from the factory's sawdust extracting fan was excessive

The factory, said Mr Heugh, had made token efforts to improve matters but the management's attitude was that the complaints were exaggerated and the factory was being victimised

But, the council's findings were that the volume of noise was far in excess of the permissible level prescribed in the SA Bureau of Standards code of practice

The council has been told that unless it takes steps it is liable to be faced with legal action to compel it to implement its nuisance by-laws

The council in turn has taken legal opinion and the executive is satisfied that this case does constitute a public nuisance

The council's attorneys have been advised to take the necessary steps against the factory

13/1/81

Strike over pension in EL

188

EAST LONDON — A working shift of about 85 workers at Totem Design furniture manufacturers at Greenfields here staged a one day strike on Tuesday in protest against proposed legislation on pensions.

By Wednesday morning all but six of the workers were back at work. The six workers not back at work were suspended and are expected to return to work next week.

Dissatisfaction among the workers at Totem over the pension issue started about two weeks ago when the workers approached the management and asked that their pension money be released to them.

The Managing director of the factory, Mr Nick Terblanche, told the workers he would put their request to the Industrial Council, which controls the provident fund.

On Tuesday, Mr Terblanche informed the workers that they would not be able to get their money as the request had been turned down by the Industrial Council.

The workers then walked out of the factory after expressing their dissatisfaction. They were told if they were not back at work by 7am on Wednesday they would be considered to have dismissed themselves.

On Wednesday morning the workers returned and had to sign a letter of reinstatement undertaking to abide by all rules and regulations of the company, especially those governing the provident fund.

In a statement the production manager of the factory, Mr Ian Bruton, emphasised that the company had no control over the pension fund as control was vested in the Industrial Council.

Mr Bruton also emphasised that no workers had been fired. — DDR

Fined R3 000 for underpaying staff

East Rand Bureau

A Germiston furniture factory owner, who underpaid his employee by nearly R3 000, was fined R3 034 today by a Germiston magistrate.

Grete Janko (40), the owner of a furniture factory in Roodekop Leondale was convicted on seven counts of underpaying workers and three counts of failing to contribute to their holiday provident and training funds.

The magistrate Mr L J Smit, suspended sentence for three years and ordered Janko to repay the outstanding amount of R2 999.67 to his employees.

The money is to be repaid within six months in monthly instalments of R499.95.

Janko, who pleaded not guilty at a previous hearing, was acquitted on one count of underpayment. A witness, Mr Simon Serata, failed to appear to give evidence.

Janko told the court that since the industrial council inspectors had visited his factory in February last year he had difficulty in controlling his workers.

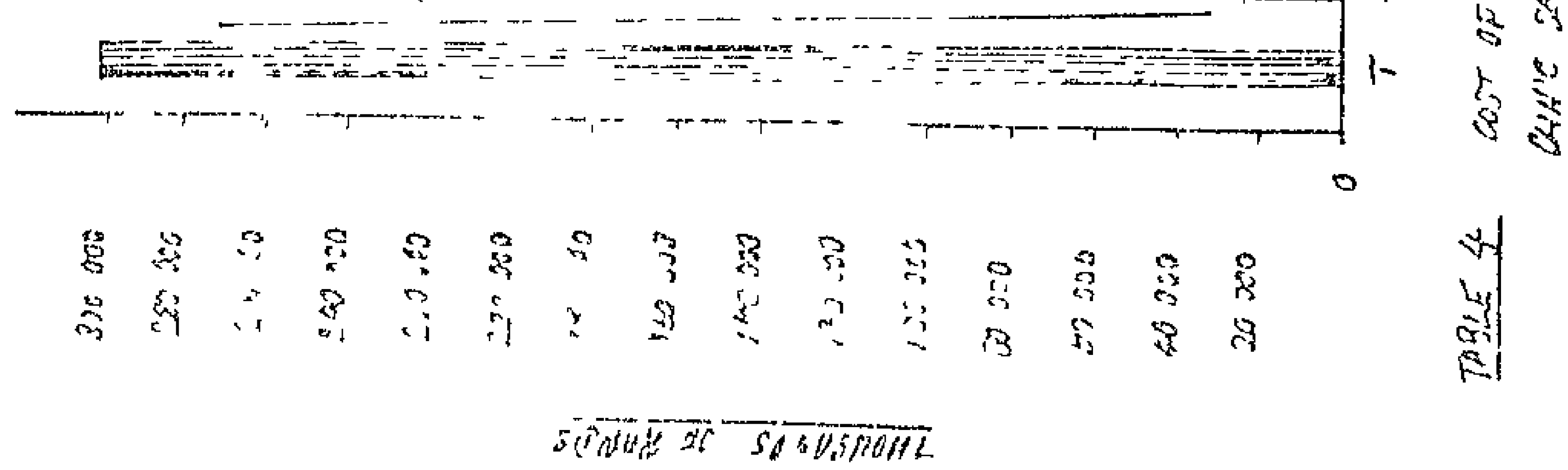


TABLE 4

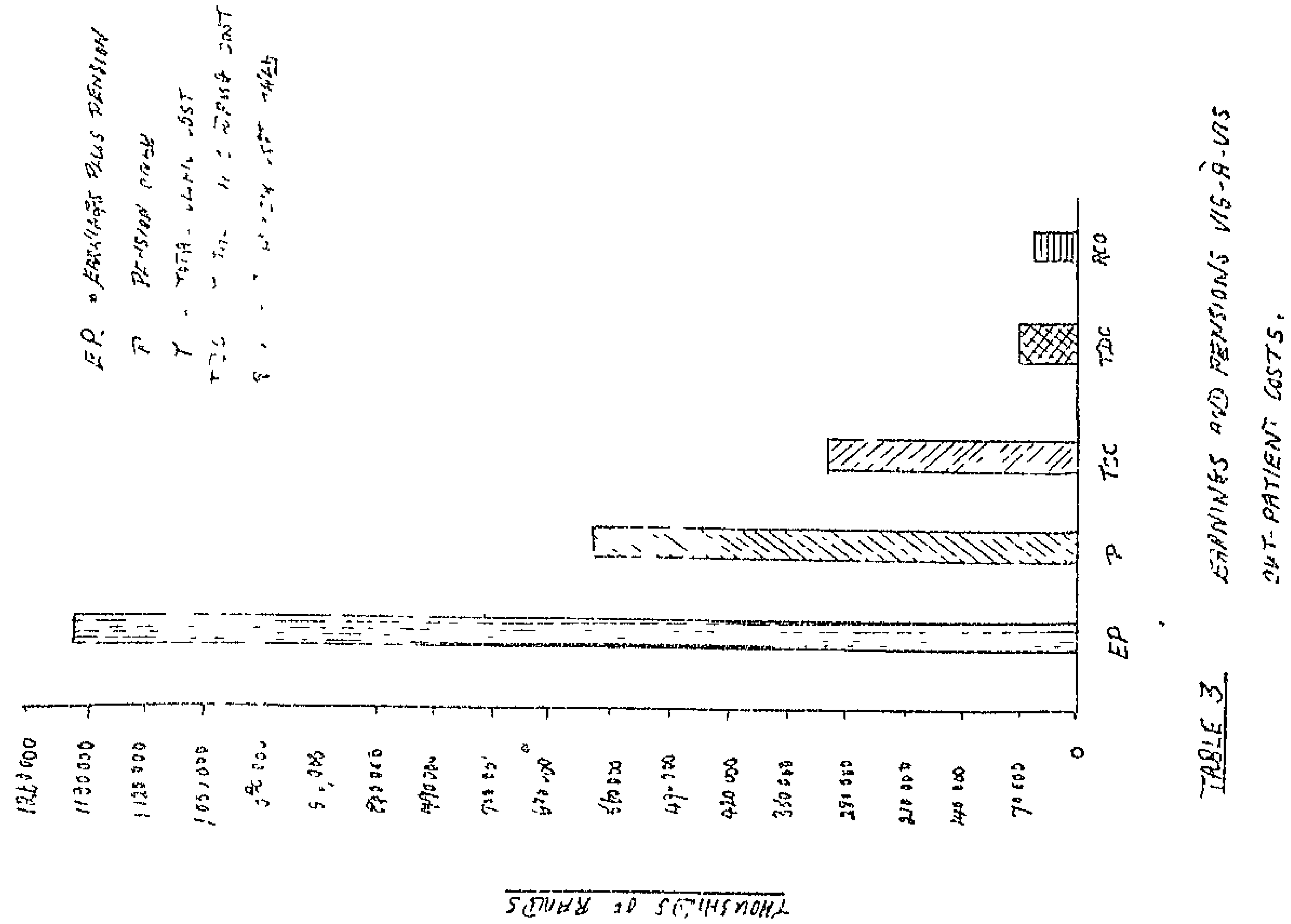


TABLE 3 EARNINGS AND PENSIONS VIS-A-VIS OUT-PATIENT COSTS.

mean that living on the farm and working in the town is practically impossible, even if jobs are available, so the women are faced with the choice of working for the farmer or not working at all. They are a captive labour force for the farmer (or his wife) and this is reflected in wage rates which are probably lower even than those of most domestic workers in cities.

On some farms - particularly those employing relatively few workers - the willingness of the women to work in the house is a major requirement of the farmer in taking on men workers. On others, with larger male labour forces, there is no work for many of the women, even at wage rates as low as those listed below. The farmer's wife employs two full-time workers to cook and clean and perhaps two more part-time to wash and iron, and any other women on the farm are not likely to find more lucrative work than, say, cleaning windows once a fortnight for a few hours.

Information on work done, hours worked per week, cash wage and payment in kind for 57 women workers is listed below.

TABLE 30

Women workers: work done, hours per week, cash wage and payment in kind

Type of work ... :ind

Washing ... vers'

(188) (134) DD 5/3/81

Full time office for union

EAST LONDON — The National Union of Furniture and Allied Workers of South Africa has now opened a full-time office here

The national director, Mr A J Groenewald, said that due to his union now becoming an integrated union for all races in the furniture industry, the executive council decided to appoint two officials on a full-time basis to attend to all union matters in this area

He said the branch secretary, Mr A J Groenewald junior and the organiser, Mr Hamilton Maqutyana, could be contacted at phone 29953 during working hours — DDR

RDM 25/3/81

Workers made to join 'closed' union

By STEVEN FRIEDMAN
Labour Reporter

ALL black workers in the Natal furniture industry are forced to join a registered trade union — on pain of losing their jobs

Rival unionists say this stipulation — the result of a "closed shop" agreement between employers and the Tucsa-affiliated National Union of Furniture and Allied Workers — has serious implications throughout the industry

By signing such an agreement, they argue, registered unions which have gained permission to enrol black workers could make it "extremely difficult" for other unions to recruit workers in the industry

They add that established unions can thus gain the right to represent all black workers in an industry — without actually recruiting one

It was also established yesterday that "closed shop" agreements of this sort — whereby employers are not allowed to employ workers who do not belong to a particular union — make it more difficult for new unions to register

The general secretary of the SA Allied Workers Union, Mr Samuel Kikine, has claimed that the stipulation is "an attempt to freeze out real unions and ensure that employers only have to deal with tame unions of their choice"

Mr Kikine claims that SAAWU has been organising furniture workers and that many of them wish to resign from the registered union However, the "closed shop" provision means they cannot do so

A notice signed by the Industrial Council for the Furniture Industry, Natal, and posted in factories reads "Important Notice As From August 1, 1980, all black employees working in this factory must become members of the National Union of Furniture and Allied Workers of South Africa "

The council's secretary, Mr D J Rossouw, said yesterday the notice was issued after the "closed shop" clause in the industry's industrial agreement was extended to black workers

The "closed shop" is common in agreements, but usually covers non-black workers only Since the extension of the clause to black workers, those who have not joined are subject to dismissal

Mr Rossouw said that "98% of the black workers have joined the union"

He added "We are not planning to see that those who don't join are dismissed But we have told the union to be patient because workers usually join when the legal position is explained to them "

He said that "in this industry workers cannot join another union" It has been established, however, that workers are legally entitled to do this as long as they remain registered union members

The clause could hamper new unions who try to win official bargaining rights in the industry

According to industrial law, unions already registered may object to the registration application of a new union If the union which objects can prove it represents a majority in the industry, the new union may not be registered

A "closed shop" clause would obviously enable a registered union to claim majority membership, even if this was not voluntary

The industrial registrar, Mr Matt le Roux, said yesterday that labour legislation did allow him to take into account the fact that the objecting union had enrolled members through a closed shop

If the objecting union had a closed shop, he could assume that workers who had also joined another union were not voluntary registered union members

But the new union would have to prove majority membership, not the established one

Labour experts say this would make it extremely difficult for a new union to gain registration

• The Government's National Manpower Commission is currently investigating the "closed shop"

SA Brews in major new growth plan

S. Times 29/3/81 (192) (188)

AMREL, the furniture retailing arm of SA Breweries with large shoe interests, is embarking on an aggressively competitive expansion programme costing R[illegible] million this year.

Key point of the programme is the establishment of discount furniture warehouses where customers can walk in and with the help of home decorators furnish an entire home.

By Elizabeth Rouse

The establishment of Amrel's discount furniture warehouses, which will offer customers a wide variety of quality furniture plus all accessories making up a home, was announced by managing director Ronnie Cohen this week.

The first two warehouses, each costing R2 million (including leasebacks), will open before the Christmas season.

Building has already started in Durban near the new station and in Alberton's main street, both warehouses being strategically sited to compete with other furniture chains.

The existing 4 000 sq m Amsterdam store in Pretoria, which will be extensively revamped, will be the flagship of the chain, to be called Amsterdam.

By March 198[illegible] a warehouse will be built in a well populated Johannesburg area with another to follow to serve the East Rand.

Cape Town, Pretoria (which will have two warehouses by the end of 198[illegible]) and Port Elizabeth are next on the programme. By the end of 1983 Amrel will have at least eight furniture warehouses.

Mr Cohen forecasts that the Pretoria, Durban and Alberton discount warehouses will chalk up sales of R20 million in the first year of business. The group's total investment of about R15 million should eventually yield a turnover of R[illegible] million a year.

By offering customers the convenience of one-stop shopping plus the advice of decorating experts, Mr Cohen believes that Amrel is filling a gap in the furniture trade.

The term "warehouse" may reflect the size of the buildings but not the variety and quality of furniture and other household goods which will be on offer.

To Page 3

S. Times 29/3/81 (188)

Sizzling furnisher plans

From Page 1

Based on the US concept of furniture discount warehouses, which have proved to be enormously successful, the goods on sale will range from crockery, cutlery, linen, carpets and curtains to furniture for every room in the house.

Amrel's buying policy will be highly competitive, and furniture and household articles from all countries will be on sale.

Mr Cohen has been looking at goods available from the Far East (Taiwan, naturally) and found excellent quality at competitive prices.

He is now heading for the United States and will look also at Continental furniture. Amrel is already retailing top quality curtains and carpets from the Continent.

Amrel is aiming for the medium to up-market furniture trade, but prices will be at cash levels, in other words competitive with cash-and-carry prices, with the usual credit-sale terms available for buyers.

Existing furniture-retail components of Amrel — Geen & Richards, Lubners, McNamees and Melodys — are also scheduled for expansion. Amrel has signed leases on 20 new stores, the majority of which are now being built. They will be opened from April to September this year.

Four Melody stores are being added with the aim of getting a stronger foothold in the musical instrument business in South Africa. (In fact, Amrel seems to have no major competitor left in this market.)

Amrel's shoe division, which last year opened 50 new stores, including 39 Selecta outlets, is to add 35 stores to its empire this year. Eleven uneconomic shoe stores have been closed and R1-million is being spent in refurbishing existing stores.

The Barnes chain, which operates mainly in-store branches (such as in Garlicks and John Orrs) has opened two free-standing stores in Johannesburg and Pretoria.

More ambitious is the establishment of a chain of initially six women's high fashion shoe outlets in up-market urban areas such as Sandton.

In addition 25 new Multiserv kiosks (heel repairs and keys) will be opened in stores this year.

Last, but not the least, most lucrative profit growth area once SATV's Channel 2 is launched, is the Early Bird Television service division. It does all OK and Amrel repair work, and profit growth should be substantial once blacks buy television sets in quantity. This division is also expanding into servicing of domestic and household appliances.

Broking analysts expects a total dividend of 60c to 62c from Amrel for the March 1981 year-end. This means that earnings will be in the region of 180c-186c, given a three-times-covered dividend. Sales could be in the R165-million to R170-million region.

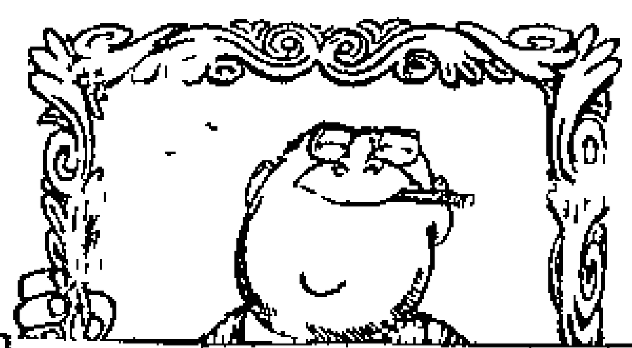
Ronnie Cohen is optimistic about Amrel's growth prospects for the 1981-1982 year and expects a real growth of 30% in its furniture business.

FURNITURE (188) FM 3/4/81

Sitting comfortably

The furniture industry chalked up a massive R1 600m in retail sales last year for real growth of about 19% (35% in money terms)

Although similar growth is considered unlikely this year, the industry is pitching its efforts at 14% real growth, despite an increase in timber prices, which are expected to contribute to a 15% rise in furniture costs and changes to the Credit Agreements Act which could affect spending in the initial stages



The furniture industry's success last year must be seen against a growth of about 8% in the SA economy Department of Statistics figures set December retail sales by dealers in furniture and household requisites at R239,9m (R2,1 billion for all retail sales) against a January to November total of R1,3 billion

Of the R192m taken in November, R95,6m was spent on furniture, R60,9m was spent on domestic appliances, R15,3m on TV sets, and R20,6m on domestic furnishings (carpets, mattresses, pillows)

National president of the Furniture Traders Association (FTA), Alan Giddy, says the industry will have to heed warnings that reduction in the growth of retail sales would be felt to a greater extent in the furniture trade than in any other sector He believes, however, that the industry can look forward to a year of good sales and good results

He is backed by GM of the OK Hyperamas, Gerald Manne, who says sales figures in his stores have been exceptional, with sales particularly strong in the appliance area especially TV

With the Rand Show opening this week the trade will soon have a good indication of what sales will be like this year, as the show is normally the industry's major sales stimulation — although highest sales are achieved at year-end

Legislation introduced earlier this year requires a 10% initial payment to be made in cash on all goods bought on credit — whether the payment is by cash or credit card

Although this is not expected to affect white spending greatly, it could initially cut into black purchases

Afcol posts another 100%-plus increase

RDM 1/5/81

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188 182

By DAVID CARTE
Deputy Financial Editor

"UNPRECEDENTED" furniture sales hoisted Afcol, SA Breweries R200-million-a-year furniture maker, to its second successive earnings increase of more than 100% in the past two years.

Following up earnings growth of 107% in 1980, Afcol reports an earnings surge of 110% in the year to March 31 Earnings a share were 121,2c compared with 57,6c

With a final dividend of 31c, making 61c for the year, the dividend improvement was also 110%

Largely because of "pent-up demand during the period 1974 to 1978", sales soared 36%, or R50-million, to R193 798 000

Once again the economies of greater throughput lifted profits more than proportionately Pre-tax profit soared 97% to R29 865 000

A small increase in the tax rate was more than offset by a 157% rise in dividend income and earnings of associates to R11 735 000, so that attributable earnings were 110% better at R28 017 000

One reason for the big rise in associate earnings was the larger stake in Romatex, which yesterday reported a 58% earnings increase The yearends are out of line, but my calculations are that Romatex contributed R6 226 000 of the associate total of R11 735 000, or no less than 22% of group earnings

On prospects, the company says "A buoyant building industry and improved consumer incomes indicate that furnitue sales will continue to grow in 1981, but at a lower rate than last year

"There is already some evidence of this slowing growth rate, according to retail sources, but it is too early to tell whether this is cyclical or the effect of recent changes in credit regulations "

The group says it has added to capacity and will augment this This will enable the group to meet increased demand and "should result in increased earnings per share"

"However, it would be unrealistic to expect earnings to grow at the rate of the last two financial years "

COMMENT: At 660c, Afcol yields 9,2%. The high yield suggests market concern about its vulnerability to a downturn, but it could also mean the results were better than expected.

188 244

Afcol reports big furniture sales

STAR 1/5/81

Associated Furniture Companies, the furniture and diversified manufacturing company in the SA Breweries Group, has more than doubled its earnings for the second sucessive year.

Out of earnings a share of 121,2c compared with 57,6c previously, the company has declared a final dividend of 31c to make a total of 61c for the year ended March 31. This compares with a total of 29c in the previous financial year.

Profits before taxation almost doubled from R15,2m to R29,9m on a 36 percent rise in turnover from R142,3m to R193,8m. Dividend income and attributable net retained earnings of associated companies rose by 159 percent from R4,6m to R11,7m and taxation more than doubled from R5,8m to R11,9m. After deduction of outside shareholder's interests in subsidiary companies and preference dividends, attributable earnings were 110 percent higher from R13,3m to R28,0m

The directors say that the rate of improvement in earnings was in excess of expectations at the beginning of the financial year but more in line with prospects indicated in the interim report

During 1980 there were unprecedented sales of furniture — mainly the result of pent-up demand between 1974 and 1978. This demand, which resulted in an increase of 36 percent in the turnover of the companies consolidated in Afcol's accounts, led to a substantial increase in utilisation of capacity, improved efficiency and resulted in improved levels of profit.

The equity-accounted companies whose sales are not reflected in this turnover, yielded an even greater percentage increase in earnings for the same reasons

On prospects, the directors say that a buoyant building industry and improved buyers' incomes indicate that furniture sales will continue to grow in 1981 but at a lower rate than last year's — Sapa

Kallenbach group goes to Gaydon for R1m

RDM 6/5/81 (188)

By HAROLD FRIDJHON

GAYDON, still listed on the JSE under "cash assets", has followed up the R3-million deal by means of which it acquired the Utas group of companies, by buying the Kallenbach group for R1-million in cash.

The vendors have warranted that the Kallenbach group will earn R400 000 before tax in the financial year to June 30, 1981

In a statement, Gaydon says that the acquisition of the Kallenbach companies will have no material effect on the net asset value of Gaydon, but the directors expect that the earnings from Utas and Kallenbach will amount to about 17c a share for the year to February 1982

It is intended to change the name of Gaydon to Barbicon Industrial Holdings A detailed circular, incorporating a transmuted listing statement and giving details of both the Utas transaction and the Kallenbach acquisition, will be sent soon to shareholders

The 10 Kallenbach companies are at the upper end of the office furniture market, manufacturing and marketing through their own outlets Apart from design the group's selling emphasis is on a complete service including full decor The goods they supply can be financed through their own leasing company

Kallenbach's managing director and chief executive, Mr Claude Caminer, and Mr Tony Michael, will continue as top executives

Mr Peter Goldberg, managing director of Gaydon, says that a R3-million development programme for Kallenbach has already been started and and the new factory with its modern machinery should begin production by the end of July

Mr Ronald Price has joined the Gaydon board and Mr Harry Levin has resigned as a director.

RDM 13/5

Sam Steele's profit up

Financial Reporter

SAM Steele made an 80% increase in taxed attributable profit from R581 000 to R1 048 000 in the six months ended February 28

The interim dividend has been raised from 2,5c to 3,5c out of earnings a share of 9,6c (5,3c

Samstel owns Steel & Barnett the furniture group and is an investment and finance group

The chairman Mr H A McNeil says the large rise in half-year profits "resulted not only from increased consumer spending but also the group's policy to express its inherent growth potential as well as substantially expand the retail division

"It is anticipated that profitability will continue to increase for the remainder of the financial year

LITRES WITH 0 5, 0 1 AND 0 05 SUB-DIVISIONS (ATPS)

LITRES WITH SUB-DIVISIONS (BTPS) @ 20°C (AMBIENT TEMP)

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Steel & B interim up

RDM, 13/5/81

0419

188

Financial Reporter

STEEL & Barnett, the furniture group, made a taxed profit of R1 730 000 (R970 000) in the six months ended February 28

The interim dividend has been raised from 8,5c to 12c out of earnings of 30,7c (17,1c)

LEVELLING-OFF AFTER THE BOOM

Turndown spells turmoil for furniture trade

S. Express 24/5/81

188

Business Reporter

THE economic turndown has meant turmoil for the office furniture industry — and complicating the field is one leading company's coup in getting three of the year's biggest contracts worth R10-million-plus.

After gearing up to cope with R50-million worth of orders last year, the industry fears a levelling off and even a decline in new business as the boom peters out

Masterplanners, the company which won the plum contracts from the BophuthaTswana Government, Standard Bank and Liberty Life, believes its netting of the provision of 7 000 work stations may prove a serious disruption of what is now a shrinking market

If the industry hits the R50-million turnover level again this year some R15-million will represent the small orders which are of little concern to the big four — Masterplanners, Dashing, Anglo Dutch and Hendler and Hendler

These industry leaders concentrate on the remaining R35-million share of the market, competing for the larger orders and contract work, which is the mainstay of their turnover

Exacerbating this intensely competitive situation is the fact that a large proportion of the available market is represented by a few major contracts

Chasing after these — and in particular the plum R3,5-million Standard Bank furniture contract — meant that all the major contenders were involved in an intensive scramble and vast amounts of development money in their attempts to net the big ones, many extending into realms beyond their manufacturing capabilities

Added to this is the fact that the whole concept of office furniture has undergone something of a revolution in the past few years, substantially brought about by the high cost of office space

Not only must new desk designs foresee the future in terms of all the electronic needs now increasingly demanded by developments in office equipment but given the fact that by 1985 it is expected that office floor space will cost about R20/m² there is an increasing need to maximise every square centimetre of floor space

This means that companies who simply supply office furniture are liable to fall by the wayside

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AFCOL

FM 19/6/81

188

Growth continues

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Activities *Furniture manufacturer in the SA Breweries group Complementary activities include textile glue and particle-board manufacturing Investments include a 21,7% interest in Smith subsidiary Romatex*

— **Chairman** *R J Goss joint managing directors A Berger, L Goldberg*

Capital structure· *23,1m ordinaries of 50c, and 550 000 6% cum prefs of R1 Market capitalisation R138,6m*

Financial: *Year to March 31 1981 Borrowings long- and medium-term, R16,9m, net short-term, R2,1m Debt equity ratio 18,4% Current ratio 1,7 Group cash flow R32,2m*

Share market. *Price 600c (1980-81 high, 720c, low, 300c, trading volume last quarter, 176 000 shares) Yields 20,2% on earnings, 10,2% on dividend Cover 2,0 PE ratio 4,9*

	'78	'79	'80	'81
Return on cap (%)	14 4	15 5	20 9	31 3
Turnover (Rm)	100	116	142	194
Pre tax profit (Rm)	5 5	10 1	15 2	29 9
Gross margin (%)*	7 9	9 0	14 1	19 7
Earnings (c)	18 1	28 4	57 6	121 4
Dividends (c)	9	14	29	61
Net asset value (c)	168	206	313	436

* Includes dividends received from associates

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Contrary to the cautious forecasts of some of the listed consumer goods companies, Afcol is budgeting for continuing excellent returns Chairman Dick Goss says that after the past two years, when earnings trebled, growth will slow down But strong demand and new capacity should lead to a real increase in earnings

Afcol, against the current trend, seems happy to live with existing dividend cover Since 1977 the percentage payout has remained at 50%, despite a substantial hike in capital employed At the same time, Afcol has steadily reduced gearing from 54% in 1977-1978 to the current 18,4% (taking the market or directors valuation of investments)

This year, Goss says, the group intends maintaining a 50% distribution in spite of higher interest rates and inflated working capital needs

The 50% payout ratio is misleading If retentions by associate companies are stripped out, the payout ratio increases to 65% Dividend cover is thus 1,6 times — nearly half the three-times average for the industrial market Institutional and stockbroking analysts believe the average will be increased further in the next year Afcol policy will thus isolate the group in terms of market trends

Management is happy with the low retention rate because of Afcol s undergeared position Since 1977 borrowings have been reduced steadily and sharply Such is gearing capacity that in 1981 group cash flow, before accounting for associates retentions could have repaid the R18,6m total borrowings in nine months The annual interest/leasing bill was covered 12 times by gross profit last year, on top of that R4 2m was lent to SAB at "competitive" interest rates

Provided yields on assets can be maintained, gearing up should boost earnings

Near-term, there is no reason to expect that distribution policy will alter Growth has slowed from the levels of the past three years and while there is some

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retailer de-stocking in response to higher interest rate pressures, Goss does not anticipate a major demand dip In fact Afcol has installed new capacity which it expects will remain satisfactorily employed this year, thanks to the group s increased market share

The market, however, takes a more jaundiced view of the prospects facing furniture companies The sector s average dividend yield of 8,5% compares with an industrial market mean of 5,8% This situation is not unusual at the top of a boom period — consumer companies derive early benefits from rising consumer spending — but Afcol has too often been priced at a discount

The rating obviously stems from higher interest rates and the fear that many consumers over-extended themselves in the last 18 months But this rating does not do justice to Afcol s office furniture prospects, nor does it tie in with the belief that the building industry will maintain growth fuelled by social and political need That must create spin-off benefits for the country s largest furniture manufacturer

Assuming Afcol achieves real turnover growth this year, and some margin improvement is gained, profit before equity accounting associates could rise by 20% With dividend growth of this magnitude Afcol could pay 73c a share giving an attractive 12 5% prospective yield The price has downside potential for overall market reasons, but the short-term income factor is attractive

Des Kilalea

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he Quantity

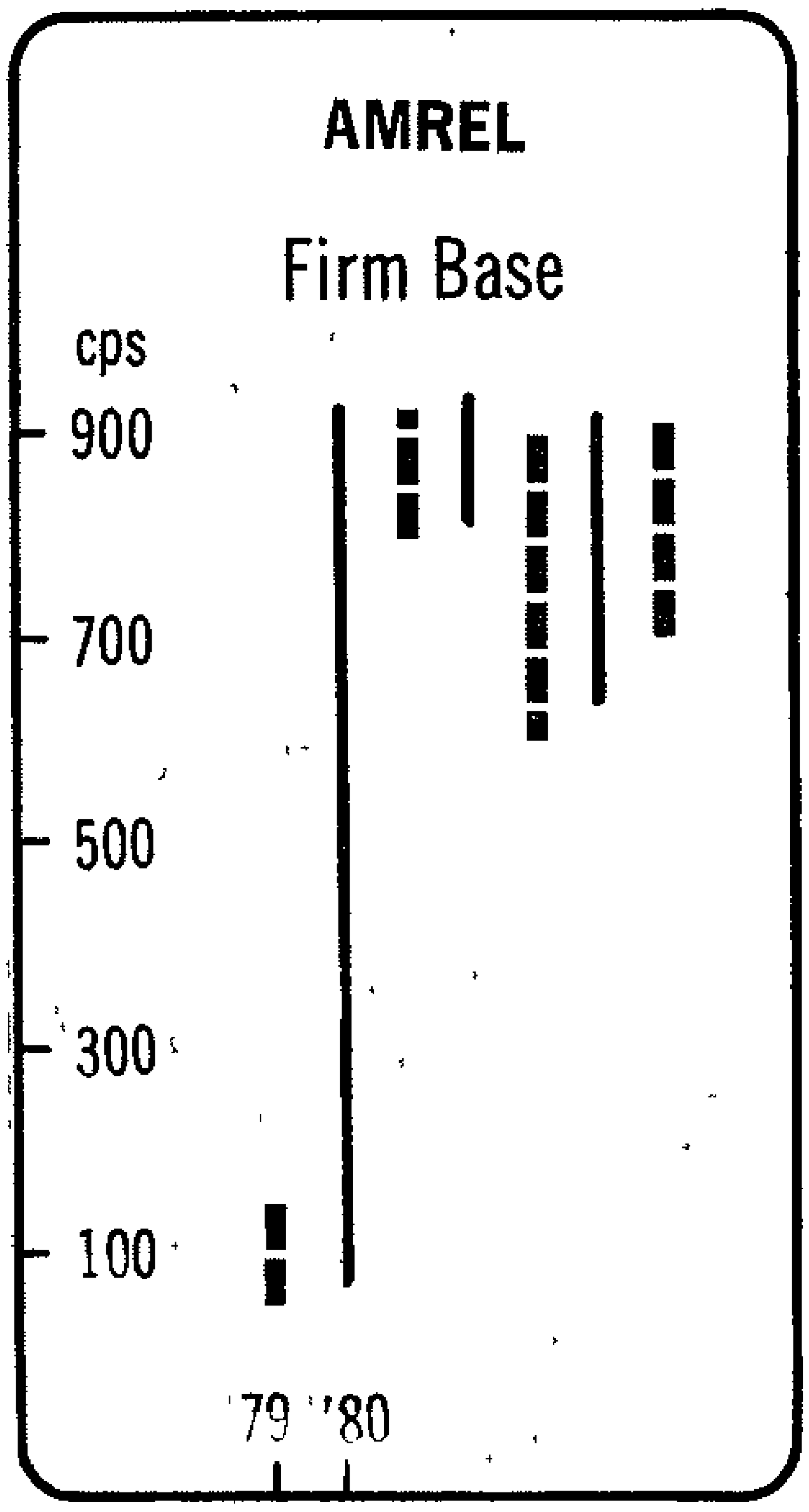
AMREL (188) FM 26/6/81

Continuing market inroads

Activities· *Retails furniture from 145 stores and shoes from 230 stores, and operates related service activities nationwide SA Breweries owns 68,9% of the equity*
Chairman. *D M Lubner, managing director R S Cohen*
Capital structure· *6,9m ordinaries of 25c, 1,7m 8% cum red prefs of 87c, and 400 000 6% cum red prefs of R1 Market capitalisation R46,8m*
Financial. *Year to March 31 1981 Borrowings long- and medium-term, R15,2m, net short-term, R32,3m Debt equity ratio 111,8% Current ratio 2,3 Group cash flow R15,3m Capital commitments R5,0m*
Share market· *635c (1980-81 high, 900c, low, 475c, trading volume last quarter, 18 000 shares) Yields 31 5% on earnings, 10,2% on dividend Cover 3,1 PE ratio 3,2*

	'78	'79	'80	'81
Return on cap (%)	13,3	16,9	21 2	24 9
Turnover (Rm)	59,6	76,7	126 6	175 1
Pre-tax profit (Rm)	3,6	6 8	14,7	23 3
Gross margin (%)	9 7	11 9	13 6	15 4
Earnings (c)	39	71	125	200
Dividends (c)	12,5	23,5	41 5	65
Net asset value (c)	307	356	444	576

Despite some doubt on how proposed changes in credit laws will affect sales, Amrel chairman David Lubner is optimistic that furniture activity will continue growing in real terms in the next three to five years He is also confident Amrel's expansion programme will enable the group to continue making inroads into the market and, at the same time, increase earnings



In the year to end-March, Amrel reported its best ever performance National furniture sales grew 30% and footwear sales increased 23% Against this, Amrel's furniture sales rose 39% and footwear sales were 37% up

This increase in market share stems in part from the ability to rapidly expand last year from a base enlarged during the 1976-1978 recession In financial 1981, 18 furniture outlets were opened or re-sited, and the shoe division expanded by a net 29 stores — 16 stores were closed

The market share penetration also stems from sound asset management The retail market started growing fast early in 1980, throughout the year many traders reported difficulties in getting stock Amrel entered the 1981 financial year with inventories up 34% and a wider store-coverage of the market During the year conservative credit ratios were maintained, in all likelihood, some debt provision could perhaps be written back

AMREL BY DIVISIONS

	Turnover		Pre-tax profit	
	'80	'81	'80	'81
	Rm			
Furniture	92,3	128 4	12,6	19 5
Shoes	28 0	38,4	2 4	3 8
Service	6 3	8 3	0 5	0 9

To finance both increased working capital requirements and to prepare for the current financial period, debt equity was levered up slightly Amrel's policy is to maintain total liabilities at no more than twice equity In 1981, this figure was on target, but it includes a R16,1m deferred tax provision This is a source of medium-term finance and thus could, arguably, be classified as shareholders' funds

Taking the annual deferred tax charge into account, group cash flow in 1981 rose strongly to R20,1m (R13,7m), which was sufficient to repay the R47,7m (R36,0m) total borrowings in just over 28 months (32 months) The annual interest/HP bill is covered 7,5 (6,7) times However, real cover on annual commitments cannot be calculated as Amrel does not disclose lease commitments

Amrel's Lubner . . . still optimistic

This year Amrel expects another earnings advance, though Lubner warns against anticipating the growth of the past few years Since 1978 turnover has grown at a compound 43,2% and pre-tax profit at 86,3% Earnings and dividends have advanced 72,4% and 73,2% respectively

Historically, Amrel has traded at a discount to the market, stemming, it appears, from the fact that the group is highly geared and the retail furniture trade is highly vulnerable to economic cycles Also, Amrel has substantial fixed overheads This rating may be unjustified, however, if TV 2 has the expected booster impact on furniture sales and the positive margin between liquidity and profitability is maintained

Amrel's income attractions are strong, but there is near-term downside pressure being exerted by overall market forces

As the saga of the past eight years shows, the world is not running out of energy per se, but only out of cheap oil.

The outlook for years to come is one of continuing turmoil as people everywhere learn to husband precious energy and find new sources of power.

In the end, that alone will be the solution to the everything crisis!

C- Hofola 6/3/81

Acquitted of striking

A DURBAN magistrate last week acquitted 58 workers of unlawfully striking at Coates Bros (SA) Inspingo.

The workers were alleged to have gone on strike on January 26 over the dismissal of a colleague and management refusing to negotiate.

The magistrate, Mr J J Brits, found that the total labour force had not stopped work and there was doubt as to the identity of the people who took part in the alleged strike.

He found that the conduct of the management had almost amounted to a lock-out.

Furniture sector — a certain winner in the long term

188

S.Times 9/8/81

By Annemarie Molteno

THE remarkable growth in earnings per share and dividend payout over the past five years shown by the SA Breweries furniture duo, Afcol and Amrel, justifies the interest shown by investors and entrepreneurs in this sector

Afcol chairman D M Lubner pointed out in his 1981 chairman's statement that national retail sales rose by 25% in 1980 while furniture and appliances rose by 30%

The current high rate of inflation has affected lower-income groups about twice as severely as well-off whites owing to the fact that food prices have risen the most and that a greater proportion of blacks' disposable income goes on food

This situation, together with high interest rates, is likely to result in a temporary reduction in the real disposable income of the lower-income groups

This will affect furniture and appliance sales, which would otherwise have soared with the electrification of Soweto

However, in the long term furniture and appliance sales can only rise dramatically in light of the projections for the urban black population of 10-million by 1985 (6,8-million in 1976) and 20 to 30 million by the year 2000

The phenomenal growth in furniture and appliance sales over the past year was anticipated by manufacturers

In March 1980 Wits Business School's Dr Ari Ulliel predicted a doubling in black income in three years in money terms and 50% in real terms, in view of the change in the political environment and the consequences of the Wiehahn Commission

With blacks having a high marginal propensity to consume (90% to 95% of any increase in income will be spent as opposed to 40% of any increase in the white community), only 30% of real increases in income will be spent on food, with 70% of increased expenditure going on durables

Just how good has growth in the furniture sector been?

During the five years to March 1981 Afcol's earnings per share grew at a compound growth rate of 39,1% with Amrel's at 33,9% per annum

Dividends grew at equally impressive rates of 39,6% and 41,4% respectively If the 1980 bonanza year is excluded, the growth in earnings per share would still be well ahead of inflation over the four-year period, being 25,4% per annum for Afcol and 28,4% for Amrel

Russells dominated the furniture retailers for several years, having the largest market share by far

The management and financial muscle of the SA Breweries Group can expect a strong challenge from Natie Kirsh's group with its recent acquisitions of 54% of Russells and 30% of Dions

Other contenders to watch are Ellerines, with its connections with Tedelex, and Mannie Simchowitz's W & A with interests in World and Bradlows

Sam Steele, an operation with a turnover of R26,5-million, has recently changed hands and could be set for high growth

Earnings per share is probably less significant than growth in free cash flow, or cash flow after providing for funds needed for re-investment to maintain earning capacity

An indication of the internal rate of return on funds invested in the business, or profitability, is the net income before allowing for interest and tax as a percentage of total assets

Afcol and Amrel currently show the highest returns of 30% and 21,6% respectively The return on ordinary shareholders' funds can rise with financial gearing as in the case of World, where return on ordinary shareholders' funds is 22,3%, whereas pre-interest and pre-tax return on shareholders' funds is only 11,3%

High interest rates will have an adverse effect on more highly geared companies and dividend payments may have to be limited

Although interest rates are high, the large cash flows of the past record year should enable most to reduce total liabilities or at least the ratio of liabilities to assets Afcol's cash flow to total liabilities was 58,4% in the past year.

In furniture companies, debts or receivables usually comprise a high percentage of total assets, as high as 89,8% in the case of World

The quality of the debtors is likely to affect growth rates if they turn out to be insufficiently covered by the bad debts provision

This is always a sensitive area in the high-growth black consumer market, and higher margins charged by specialised black stores do not always offset this risk

The relative risks change significantly in times of recession, so that investors are now advised to look for a combination of steady growth and security

	Afcol	Amrel	Beares	Bradlows	Ellerine	Montrays	Russell	Sam Steele	World
Current ratio	1,66 1	2,3 1	2,06 1	2,46·1	2,8 1	4,2·1	1 95 1	1,93 1	2,23·1
Quick asset ratio	1,11 1	1,93 1	1,69 1	2,0 1	2,62·1	3,9 1	1,67 1	1,62 1	2,1 1
Fixed asset turnover (sales ÷ net fixed inventory)	2,9	18,4	26,2	50,3	32,8	N A	14,1	4,59	55
Inventory turnover (Sales ÷ average inventory)	8,1	10,0	10,0	7,1	16,7	N A	9,5	7,7	15,6
Debt-to-net-worth (total liabilities to total shareholders' interests)	0,81 1	1,87 1	1,67 1	1,48·1	1,37 1	1,24 1	2,29 1	1,44 1	2,46 1
Interest bearing debt-to-net worth (to ordinary shareholders' interest)	0,24 1	1,1 1	0,70·1	0,47.1	0,62·1	0,43 1	0,97 1	0,65 1	0,34 1
Net profit margin (after tax as a % of turnover)	14,5%	7,8%	5,5%	5,0%	8,4%	N A	7,3%	5,1%	7,2%
Return on total assets (before interest and tax)	30,0%	21,6%	17,7%	12,8%	17,1%	12,9%	14,9%	10,9%	11,3%
Return on ordinary shareholders equity (after tax)	36,1%	34,1%	24,4%	16,1%	20,0%	13,8%	24,5%	12,1%	22,3%
Average payout ratio past 4 years	50%	33%	23%	30 6%	24%	44%	24%	66%	33%
Cash flow as a % of total liabilities (excluding shareholders' funds and deferred tax)	58,4%	38,7%	36,9%	25,1%	41,4%	37,1%	26,3%	17,9%	39,4%

	1976	1977	1978	1979	1980	1981	Compound rate of growth pa
TURNOVER INDEX							
Afcol	100	102	103	120	147	218	16,9%
Amrel	100	105	107	138	227	314	25 7%
Beares	100	117	154	175	220	278	[illegible]
Bradlows	100	96	89	110	141	182	12 7%
Ellerine	100	116	132	156	208	257	20,8%
Montays	N.A	—	—	—	—	—	—
Russel	100	111	120	138	170	226	17,7%
Sam Steel	100	109	125	127	161	N A	12,6%
World	100	124	131	148	194	N.A	18,0%
EARNINGS INDEX							
Afcol	100	97	78	122	247	520	39,1%
Amrel	100	90	83	155	272	430	33 9%
Beares	100	95	127	153	165	196	14 4%
Bradlows	100	56	53	138	156	247	19 8%
Ellerine	100	108	127	147	189	246	19 7%
Montays	100	110	114	111	131	151	8 6%
Russell	100	88	90	104	149	198	14,6%
Sam Steel	100	114	130	144	286	N A	30,0%
World	100	118	152	176	220	270	22,0%
DIVIDEND INDEX							
Afcol	100	100	78	122	252	530	39,6%
Amrel	100	122	109	204	361	565	41,4%
Beares	100	100	116	137	168	189	13,6%
Bradlows	100	71	71	86	154	183	12,9%
Ellerine	100	112	119	150	194	238	18,9%
Montays	100	100	100	100	125	N A	5,7%
Russell	100	102	102	112	163	224	17,5%
Sam Steel	100	100	100	114	171	200	14,9%
World	100	100	108	121	138	168	10,9%

Ciskei furniture factory expands

DD 13/8/81 (188)

EAST LONDON — Unathi Timber, a furniture factory at Dimbaza in the Ciskei has just completed a quarter million rand expansion project to manufacture its own blockboard and plywood requirements

The factory which manufactures mainly school, domestic and office furniture was established just over a year ago in conjunction with the Ciskei National Development Corporation (CNDC) at a cost of R1-million

Mr Piet Swart, managing director of the factory, says all their blockboard and plywood requirements had to be bought prior to the decision to undertake in-house production

He says the new facilities became an urgent priority following the signing of a R1-million contract with various Border and Eastern Cape furniture suppliers

The factory draws its raw wood mainly from indigenous wood found in the area It has also won a large order for the production of various wood products, to be sold in the National Parks Board's numerous shops

Unathi suppliers all Ciskeian schools with their furniture requirements — DDC

World group's income up 40,5%

Star 17/8/81

(188)

World Furnishers Group has increased its pre-tax income by 40,5 percent from R2,87-million to R4,03-million in the year ended June 30.

Attributable after-tax income was 41 percent higher from R1,78-million to R2,54-million, earnings a share rising from 31,3c to 44,3c.

The final dividend has been increased from 3,75c a share to 4,5c a share making total dividends for the year 10c against 8,25c previously.

In their comments on the results, the directors refer to the previous year's pre-tax income increase of 22,6 percent and say that the group again exceeded its sales and cash budgets.

They add that the Winna acquisition is undergoing a process of full rationalisation with certain unprofitable stores having been closed

FURNITURE FM 13/11/81

Cautious mood

188

Although furniture retailers have had a better year than many expected, there is distinct caution in their predictions for the last quarter — traditionally the big sales period

Before the new Credit Agreement Act came into force earlier this year, retailers expected that it would seriously affect sales However, after an initial dip, trading by and large returned to previous levels

The Furniture Traders Association's Sieg Redelinghuys says real growth in the trade could be in the region of 6% this year Sales reached about R1,6 billion during 1980 In the six months to end-June, retail sales by dealers in furniture and household requisites reached R806m compared with R648m last year, according to the Department of Statistics

Redelinghuys says some retailers experienced a dip in sales during September and October but are expecting this to level out during the traditional November/December buying spree

He adds that the sales valley which is expected during 1982 will probably last until mid-year and pick up thereafter He expects the trade to do slightly better than the economy as a whole next year, with growth of around 4%

But SAB's major furniture manufacturer Afcol has already reported signs of slowdown And Natie Kirsh, whose listed holding company Coki has shares in both Dion and Russells, is expecting a real drop in growth

However, another major manufacturer reports no sign of slump, but believes that shortages of skilled labour will place constraints on further growth next year

Eric Ellerine says the Ellerine retail chain experienced slower sales during March and April — immediately after the introduction of the new Credit Agreement Act Since then, however, sales have picked up again — although not to the same levels

Ellerine adds that although sales have been affected, he has been delighted with the new Act He says it has made for a far better industry He sees the introduction of TV2/TV3 as the bull point for the coming year It is already having a positive effect on TV sales His company has laid in a lot of stocks for November, December and January, he says

Because of the cost of entertainment and its inaccessibility, says Ellerine, it is likely that TV2 and 3 will have a greater impact on blacks than TV1 had on whites

Gerald Manne, GM of the Hyperamas, says sales of furniture and major durables are sound, but there has been a slight easing back Sales of TV sets at the Hyperamas have shown incredible growth of 40% over last year, he adds

Manne attributes the increase to demand in the home entertainment market He says there is a natural upgrading of equipment as more people buy video recorders and ancillary equipment The replacement market, the change in the licencing regulations and the increase in sales to blacks have also been factors Manne says the market should be further stimulated during mid 1982 by the introduction of colour portable sets

And the higher expectations of young married couples, who have high combined incomes, should lead to a continuing demand for durable goods

NM 15/10/81

Cane firm does well

(188)

Finance Reporter

BUSINESS is going extremely well for Mooi River Cane Industries, started in December 1980. The managing director, Mr W F Seymour, says there is no shortage of customers. All items now being made in his factory are already sold, and there are many orders in the pipeline.

Mr Seymour came to South Africa from Victoria Falls, Zimbabwe, three years ago and worked for National Development Corporation of South West Africa/Namibia Before coming to Mooi River, he acquired his first factory when he bought Pittcane Furniture Manufacturers in Pinetown

Now Mr Seymour, will be making Mooi River his head office for the manufacture of cane furniture The Pinetown branch will remain as a shop window and training centre, which will alleviate the problem of a shortage of trained staff

At present the staff of the Mooi River factory consists of four whites, five Indians and 76 Zulus Two of the Zulus used for weaving are blind

It is obvious, says Mr Seymour, that the demand for cane furniture is increasing, and there is also a definite opening for a profitable export market — firm enquiries have already been received All this has led to his company becoming the largest but one of its kind in Natal

The raw cane is imported from the Far East from such places as Malaya, Indonesia, Singapore and Taiwan Unfortunately the cane grows only in a monsoon climate and not in South Africa

MATHIESON & ASHLEY (138)

Re-rating due?

FM 16/10/81

Activities *Manufacture and supplies business equipment and systems including office furniture and continuous stationery. Investors Club own [illegible] of the ords and 35 [illegible] of the prefs*

Chairman *L I Jossel*

Capital structure *[illegible] ordinaries of 10c 60 000 [illegible] cum prefs of R[illegible]. Market capitalisation R5,5m*

Financial *Year to June 30 1981 Borrowings long- and medium-term R1,1m Net cash R151 000 Debt equity ratio 23,9% Current ratio 1,8 Group cash flow R1,9m Capital commitments R452 000*

Share market *Price 195c (1980-81 high 2[illegible]c, low 160c trading volume last quarter 27 000 shares) Yields 28,9% on earnings, 10,3% on dividend Cover 2,8 PE ratio 3,5*

	78	79	'80	'81
Return on cap (%)	[illegible]	[illegible]	[illegible]	[illegible]
Turnover (Rm)	[illegible]	[illegible]	[illegible]	[illegible]
Pre-tax profit (R000)	[illegible]	[illegible]	[illegible]	[illegible]
Gross margin	3,3	[illegible]	[illegible]	[illegible]
Earnings (c)*	[illegible]	[illegible]	[illegible]	[illegible]
Dividend (c)*	[illegible]	4	15	20
Net asset value (c)*	[illegible]	73	102	[illegible]

* Adjusted for 5-for-1 share split in Nov 1980

Following a dramatic earnings advance in financial 1980 Mathieson & Ashley's sound performance last year indicates that the group may finally have overcome its former difficulties. But the results have so far failed to convince the market. Despite a five-for-one share split in November 1980 and a reduction in the stake held by Investors Club — both aimed at improving marketability — the share continues to trade at a considerable discount to the market.

Part of the reason may be that investors tend to have long memories and M & A's earnings record over the past 10 years has been erratic to say the least. Nevertheless after several years of restructuring during which returns on capital employed were poor and profit growth sluggish, the group recovered in financial 1980 with a sharp jump in taxed attributable profit to R1,1m. Last year, taxed attributable income showed a 45,5% advance off the higher base.

Despite chairman Lionel Jossel's confidence that the group's problems are now well behind it and that prospects are encouraging, the market has remained cautious. In fact, the share price has fallen 10c since the preliminary results and now trades only 35c above its low of 160c.

Return on capital slipped from 64% to 50,4%, but this is due largely to the increase in equity value and the fact that borrowings now total R1,1m, which will be used to finance further expansion. A year ago, the group was virtually ungeared. In addition, the assets (the bulk of which are now heavily depreciated) are valued on an historic cost basis. Thus the asset base is fairly small relative to the size of the profits over the past two years. With this in mind, the previous year's high returns can probably be regarded as unusual.

The company spent R2,5m on capital expenditure last year, with R1m invested in land and buildings and the remainder going on additions to plant. Jossel says the benefits of the expansion programme were not fully reflected in the results because of production disruptions caused by the move of

M & A's Jossel . . . another JSE sector perhaps?

office furniture division Woodmet. The new factory will allow a four-fold production increase and that obviously enhances the company's prospects for the current year.

Turning to the results, turnover rose 33,3% to R12,8m (R9,6m), with retail sales of office machines, furniture and equipment accounting for 59% of total sales. The office furniture division was expanded further during the year with the opening of a new branch of Dashing Furniture in Cape Town. Manufacturing and sales of office furniture and equipment now comprise 80% of pre-tax profit, while printing operations account for 19% of the total and financial leasing the remainder.

In view of the profit split, it is hard to see why the JSE continues to list M & A under the Printing & Publishing sector. That not only presents a problem for comparative purposes, but the sector itself has a fairly poor rating — 7,9% average dividend yield — and may have helped to colour the market's view of M & A.

M & A's 20c (15c) dividend helped to boost Investors Club's pre-tax profit 32% to R1,2m (R906 000). But attributable profit rose 77,1% to R1,6m as a result of profits received from the sale of 11,5% of its holding in M & A. Excluding the extraordinary income, earnings a share were 60,7c (46,3c) a share and the company paid an increased dividend of 21c (18c).

M & A's profit growth this year is likely to be more modest than last. But the group's activities are fairly well spread and, provided demand holds up, growth could be around 25%. This points to possible earnings of about 70,5c a share with a dividend payout of 25c. On this basis, the share offers an attractive prospective yield of 12,8%.

Alternatively, Investors Club offers a reasonably attractive 9,9% historic yield at 212c. Marketability, however, is still limited and with the greater availability of M & A shares, the operating company looks a better prospect.

Chris Wilson

Poperty stake for Duros

207

16/10/81

188

DUROS, the Cape furniture group recently taken over by Gordon Verhoef & Earl Krause, is boosting its earnings a share by 34% to 9,93c (7,4c) through the injection of several property companies

The managing director, Mr Len Dixion, said agreement had been reached between the shareholders of certain property-owning companies and H Ospovat & Co, Duro's wholly owned subsidiary, for the acquisition of the property companies for R1 642 500 The price would be paid partly in cash and Duros shares

Three main properties are involved — two blocks of executive apartments in Cape Town and a Cape Town office block

In a second deal the group is buying a factory from Mobilia Furniture in Atlantis for R530 000 The factory will be used to relocate the Duros furniture operations currently housed in a Cape Town factory

NEWS

Workers hit at pension pay-outs

188

Star 21/12/81

By Tony Davis, Labour Reporter

Workers in the Transvaal furniture industry are incensed by a new pension scheme

There are about 11 000 workers in the industry in the Transvaal and all are members of the Tucsa-affiliated National Union of Furniture and Allied Workers of SA because of a closed-shop agreement

The concern arises from the phasing out of the old provident fund and its replacement with a pension fund

Workers started contributing to the new fund at the end of October and have been told to apply for a refund of half their provident fund contributions which will be paid out from the first of April

The remaining half will be transferred to the pension fund

But workers say they are entitled to a full refund of their provident fund contributions

They claim they were told by the union that they would receive a total pay out at the end of October

However they were later told that they would receive only half their funds but only next year because their contributions were tied up with investments

Many workers had made commitments towards expenses such as housing and found at the end of October they had no money coming to them

Workers told The Star the union had no mandate to change the pay-outs and they were forced to accept the fact of receiving only half their contributions early next year

Millions of rands are tied up in the pension/provident scheme in the Transvaal furniture industry

Workers claimed general union meetings were cut short by their leaders when the subject of contributions was brought up The pension row has already seen one executive member of the union being expelled for demanding that the 11 000 workers be paid out in full on the basis of the union's previous commitment

What the workers want to know from their union is

- Why did the union change its position on refunds?
- Why must they now wait until next year for half their contributions?
- Did the union have the mandate of the workers to make the changes?
- Who is accountable for the soaring of investment profits from the funds?

Both the union and the Industrial Council for the industry are reluctant to comment on the dispute

The union's general secretary, Mr M Lalaram said the workers would definitely receive their part pay-out from the first of April

Furniture workers have already sought legal counsel on the issue

MANUFACTURING — FURNITURE

1982 — 1986.

1982

188 Sunday Times 24/1/82

Furniture men still laughing

By Colin Bower

"DEPRESSION? What depression?" That's the response from leaders in the furniture industry to the Bureau of Economic Research's forecast of an 8% decline in real terms in private consumption expenditure on furniture and other household durables this year

The BER forecast is supported by the Standard Bank's economic survey, which states that sales of durable goods will bear the brunt of the economy's downturn

The Furniture Traders Association's executive director, Sieg Redelinghuys, forecasts a 5% real growth rate in the furniture industry as a whole, based on a real GDP growth rate of 2%

"With new customers continuing to come on to the market in significant numbers, there is plenty of room for expansion," he says "People psyche themselves into a depression"

The only problem that Mr Redelinghuys foresees is in the cost spiral of raw materials, which may push up retail prices he believes by about 15%

Eric Ellerine chairman of Ellerine Holdings says he is optimistic "I don't believe the decline will be of the order suggested by the BER

"The TV mini boom will continue to help us and black consumers provide a steady growth potential

Llewellyn Ringo managing director of Dashing Office Furniture, points out that, in addition to the normal orders that will emanate from expansion by large private and public institutions 12 000 "work stations" are already committed for the next 12 to 15 months

The market for office furniture "systems" is R30 million and Mr Ringo looks forward to healthy growth on his company's R12 million sales figure

Hymie Back executive chairman of B & S Steel Furniture, is not unduly concerned, and says that his company is not budgeting for a downturn this year

Doug Matthie, managing director of Sam Steel Holdings retail division, reports no discernible downtrend, and says he does not expect one

Last year his division enjoyed real growth of more than 40% and supported by black consumer spending he expects a similar figure for 1982

Beare's managing director Alec Rogoff says that his company is opening new stores this year, the effect of which will be to offset any possible downtrend in the overall market

The only dissonant voice among those canvassed comes from Amrel's Ronnie Cohen who sees no real growth this year

If the consensus is correct however the R2 000 million furniture industry will increase in real terms by more than R100 million over the next 12 months

Depression? What depression?

LABOUR

188 # Union first in kwaZulu 108

Star 26/1/82

A breakthrough recognition agreement in a homeland "border area" has been won by the Fosatu-affiliated Paper, Wood and Allied Workers' Union.

In terms of the agreement signed yesterday, the Zululand Furniture Factory in Port Durnford, kwaZulu, has recognised the union's right to take up any factory issue including wages on behalf of the 200-odd workers.

The firm is owned by the Corporation for Economic Development, formerly the 'Bantu Investment Corporation, and because it is in kwaZulu it is not covered by minimum wage provisions applying in South Africa.

A union spokesman said the agreement was one of its most successful. "It is simple and embodies many rights for workers and has no restrictions," the spokesman said.

Management had initially objected that the union was not registered for the area but had since displayed "a progressive and open attitude to the union and its worker committee," he added.

The Paper, Wood and Allied Workers Union had already forwarded wage demands to management which are to be discussed, the spokesman said.

The union's membership in northern Natal has risen from nothing to about 3 000 since last April and it has signed two other recognition agreements in the area. These are with Anglo Alpha's Cappa Sacks in Isithebe and Sappi Kraft in Mandini.

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A timber price list error causes a knotty problem

198

S. Express 21/2/82

AN ERROR in the South African Lumber Millers' Association (Salma) price list for SA pine for 198[illegible] — and its correction a few days later — has sparked a bitter row

According to the first price list, industrial timber with dimensions of 38mm by 38mm, 38mm by 50mm and 50mm by 50mm were increased by 10% over their prices last year. In the corrected price list, their prices went up by 40% over last year's prices.

Eddie Friedlein, a director of Friedlein and Co which makes furniture for the export market, says this subsequent increase had embarrassed him and would affect the profitability of his company.

"In the export business we have to quote prices for six months at a time and naturally base our current quotations on the price of those sizes in the first price list we received from Salma," he said.

"We make chairs and use about 200m³ of SA pine in a month. Of that about 50% is 38mm by 38mm or 50mm by 50mm. The increase in the price of timber is causing us to become increasingly uncompetitive in the export market and if it continues, we'll be forced out of it in a year."

[illegible]

David Eloff, executive director of Salma, in a report in the Sunday [illegible] on January 21 about the increases in the prices of SA pine, Mr Friedlein said: "Salma's action is certainly not an example to the furniture industry trying to [illegible] to keep prices within reach of the consumer's budget and endeavouring to compete in overseas export markets."

In the report, which centred on the fact that Salma [illegible] below 10% for the year, [illegible] the prices at which its [illegible] to [illegible]. Eloff said: "We [illegible] that our action [illegible] example to other industries and that they should [illegible] inflation rate."

When interviewed last week and informed of the [illegible] Mr Friedlein's [illegible] Eloff admitted that [illegible] out [illegible] price [illegible] of the [illegible] of timber [illegible]

[illegible]

[illegible]

...um workers and do... servants there ...had been excluded ...the scope of applica... of several Law admin... ...ed by his department ...ding the Labour Rela... ...ct and the envisaged ...ditions of Employment

...on account of a variety ...rcumstances and de... ...pments and because ...authorities also have a ...ponsibility to look after ...interests of workers in ...sectors I have decided to direct the National ...power Commission to ...ently conduct an inves... ...tion into measures in ...ms of which minimum ...nditions of service in re... ...of the workers in ...se sectors could be reg... ...ated

As in almost every ...er country in the world, ...e are in South Africa a ...riety of factors which ...litate against the insti... ...tion of formalized or ...uctured conditions

Consideration

"Factors which are pe... ...liar to this sector and ...ich must be taken into ...nsideration are the inti... ...ate relationships be... ...een employers and their ...m workers and employ... ...and their domestic ser... ...nts the geographical ...tribution of such work... ...the seasonal nature of ...ming operations the in... ...ence of climatological ...tors such as rainfall on ...ming operations the ...cessity of certain activi... ...being performed on ...the basis

Aggett inquest

...HANNESBURG — The ...quest into the circum... ...nces of union official Dr ...il Aggett's police cell ...ath recently is to be held ...the Johannesburg Magis... ...te's Court early next ...nth

...he Chief Magistrate of ...hannesburg Mr J A van ...m said at the weekend ...at the inquest would ...t at 10 am on Tuesday, ...arch 2 in Court 18 — ...pa

Read JOBFINDER in today's Cape Times

Furniture factory fire: Arson investigation

Staff Reporter

POLICE have begun investigations into arson as a possible cause of the Salt River furniture factory fire that injured four firemen last Friday night

The blaze at Steele Brothers factory in Victoria Road is believed to have caused damage estimated at nearly R100 000 [illegible]

Four firemen were injured in the blaze [illegible]

The injured firemen [illegible] were taken to Woodstock Hospital [illegible]

[illegible]

One of the two firemen crushed under a falling burning wall, Mr [illegible] McLaughlin of [illegible] [illegible]

The factory, filled with synthetic fibre [illegible] burned [illegible] two fire [illegible] bring the blaze [illegible] under control

Eight fire engines, four service vehicles [illegible] Rescue Unit vehicle and an ambulance were sent to the fire [illegible] breathing apparatus were used

Staff Reporter

Stand Fonrie sent to Washington — Page 2

INSIDE

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RAND DAILY MAIL, Friday, July 16, 1982 5

'Closed shop' to be tested in court

By STEVEN FRIEDMAN
Labour Correspondent

THE controversial "closed shop" provision, which forces workers to belong to a trade union, is to be tested in the Government's new industrial court

The case is likely to be closely watched by both employers and unionists The closed shop is firmly supported by most established unions, but has been attacked by emerging unions and employers, who see it as a violation of workers' freedom of association

The registrar of the industrial court confirmed this week that the case, brought by Natal furniture company Grafton Everest against the furniture industry's Natal Industrial Council and the National Union of Furniture and Allied Workers (NUFAW), an affiliate of the Trade Union Council of SA, is to be heard

He said a date for the hearing had not been set "The parties are negotiating on a date and we are waiting for them to come back to us," he said

The case concerns an agreement negotiated at the Natal council which means all black furniture workers must belong to the NUFAW The closed shop in the union has only recently been extended to blacks

Grafton Everest brought the case after three of their workers refused to join the NUFAW The council told the company it must fire the workers

At one stage, the council sent an agent to the plant to evict the three But he was turned back and they are still working at the plant

It is understood that the three refuse to join because they support the unregistered SA Allied Workers' Union Informed sources say other NUFAW members at the plant originally backed the SAAWU

The company has now taken the case to the court, arguing that to fire workers because they refuse to join a union is an "unfair labour practice"

The NUFAW's secretary, Mr Mohan Lalaram, confirmed yesterday the company had brought the case, but added "We believe their attorneys have told them there is nothing illegal about the closed shop

"Instead of doing this, why didn't they apply to the Minister of Manpower for an exemption from the closed shop, which they can do?," he said

It is understood that the company has not asked for an exemption because this would mean that the closed shop principle would not be tested in court

Date 17\10\78

Degree/Diploma/Certificate for which you are registered (e g B A , B Sc) B.A.

Subject ECONOMICS IA
(to be copied from the heading on the Examination Paper)

Paper No PAPER NO I
(to be copied from the heading on the Examination Paper)

Examiners' Initials		

NOTE CAREFULLY

1 Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering

2 Blue or black ink must be used for written answers The use of a ball point pen is acceptable Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used

3 Names must be printed on each separate sheet (e g graph paper) where sheets additional to examination book(s) are used

4 Do not write in the left hand margin

WARNING

1 No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed

2 Candidates are not to communicate with other candidates or with any person except the invigilator

3 No part of an answer book is to be torn out

4 All answer books must be handed to the commissioner or to an invigilator before leaving the examination

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Mercury 27/7/82

188

Natal firm asks Court to test 'closed shop'

Mercury Reporter

A NATAL furniture company has asked the Industrial Court to test the controversial 'closed shop' provision, which forces workers to belong to a trade union

The case is being brought by Grafton Everest against the furniture industries' Natal Industrial Council and National Union of Furniture and Allied Workers (NUFAW), an affiliate of the Trade Union Council

It concerns a council agreement which forces all Indian, black and coloured furniture workers to belong to NUFAW

The closed shop has been extended only recently to blacks

The closed shop is firmly supported by most established unions but has been attacked by emerging unions and employers who see it as a violation of workers' freedom of association

It is understood that Grafton Everest brought the case after three of their workers — one who has worked for the company for 25 years — refused to join NUFAW because they supported the unregistered South African Allied Workers' Union The council told the company they must dismiss the three workers

The company has now taken the case to the Court, arguing that to fire workers because they refuse to join a union is an unfair labour practice and runs counter to the principle of freedom of association

Tested

NUFAW's secretary, Mr Mohan Lalaram, yesterday confirmed that the case had been brought by the company but said 'it was the right of any employer to ask the Minister of Manpower for an exemption from the closed shop agreement'

It is understood that the company has not asked for an exemption because this would mean that the closed shop principle would not be tested in court.

The Natal Industrial Council for the furniture industry declined to comment when contacted yesterday

The Registrar of the Industrial Court confirmed the case, but said a date had not yet been set because 'we are waiting for the parties to agree on a mutually satisfactory date and then come back to us'

*'All that is moulded of iron
Has lent to destruction and blood
But the things that are honour d of Zion
Are most of them made from wood*

From humble beginnings... to a giant moneyspinner

ARGUS 9/9/82

188

FORESTER Mr Willie Cooper with saplings These trees are seven years old and their size indicates their slow growth

By Robin Parker

INSPIRED by the opening verse of the woodcarver s ballad the Garden Route forest furniture industry has grown into a R6-million-a year moneyspinner which is attracting increasing international interest

The industry which provides work for more than 2 000 workers, draws its materials from 60 500 ha of indigenous forest covering the hills and valleys between Mossel Bay and Humansdorp

The beginnings were humble The Jonker family made the first tentative steps into forest furniture building more than 60 years ago The "factory" was a small room in Knysna's main street

The growth of the industry has been phenomenal Now all the major manufacturers have large factories in Knysna s burgeoning industrial area

And the demand is such that the waiting list for any piece of furniture could be up to two years

□□□

The final crafted masterpieces are to be found in homes from Aasvoel to Aachen, Malmesbury to Memphis but the industry s main market is South Africa

Knysna at the heart of South Africa's holiday playground, is rubbing its hands in glee as prices climb

A prime grade stinkwood tree may take anything up to 300 years to reach maturity, which accounts to some extent for the price paid for the final product For blackwood the period is slightly shorter

The species are carefully cultivated by a band of foresters and their labourers in the green hills surrounding Knysna

For several years the saplings are nurtured before being transferred to the forest where possibly, in 300 to 400 years time, they will be felled to provide furniture for those roaming earth in the year 2400

□□□

After felling, the indigenous woods are auctioned annually by forestry staff The bidding is keen, with the major manufacturers eager to carry off the prime examples of stinkwood, blackwood and yellowwood

The wood is then transferred to one of the sawmills where it is cut into manageable lengths and then stacked for drying for up to a year Then follows a period of oven drying before the wood is deemed ready for use

Mr Boet Matthys, sawmill and store foreman at Fechter s factory in Knysna has more than 50 years experience in the industry

□□□

"Oom Boet as he is known to Prime Ministers, Cabinet Ministers and many international dignitaries who have selected wood for their furniture from his store remembers the industry in its 'backroom' form

"Everything was cut by hand And the fancy feet and doors all carved by master carvers who worked at astonishing speed

All that has disappeared now the victim of progress

But they have still not invented a machine to assemble the furniture And it is this that the buyer has to be prepared to pay for, that final human touch which makes each piece of furniture unique

● Pictures by PETER STANFORD

9/9/82

188

...to a giant moneyspinner

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Knysna at the heart of South Africa's holiday playground, is rubbing its hands in glee as prices climb

The indigenous furniture industry is one of the few not feeling the effects of the economic recession Says one representative The demand for good quality furniture is such that people will pay any price to get it"

□□□

And do they pay The record price for a cu m of stinkwood is more than R9 000 and even blackwood the cheaper and most popular variety of wood is close to R1 000 a cu m. Prices between R5 000 and R10 000 for an eight-chair dining room suite are common.

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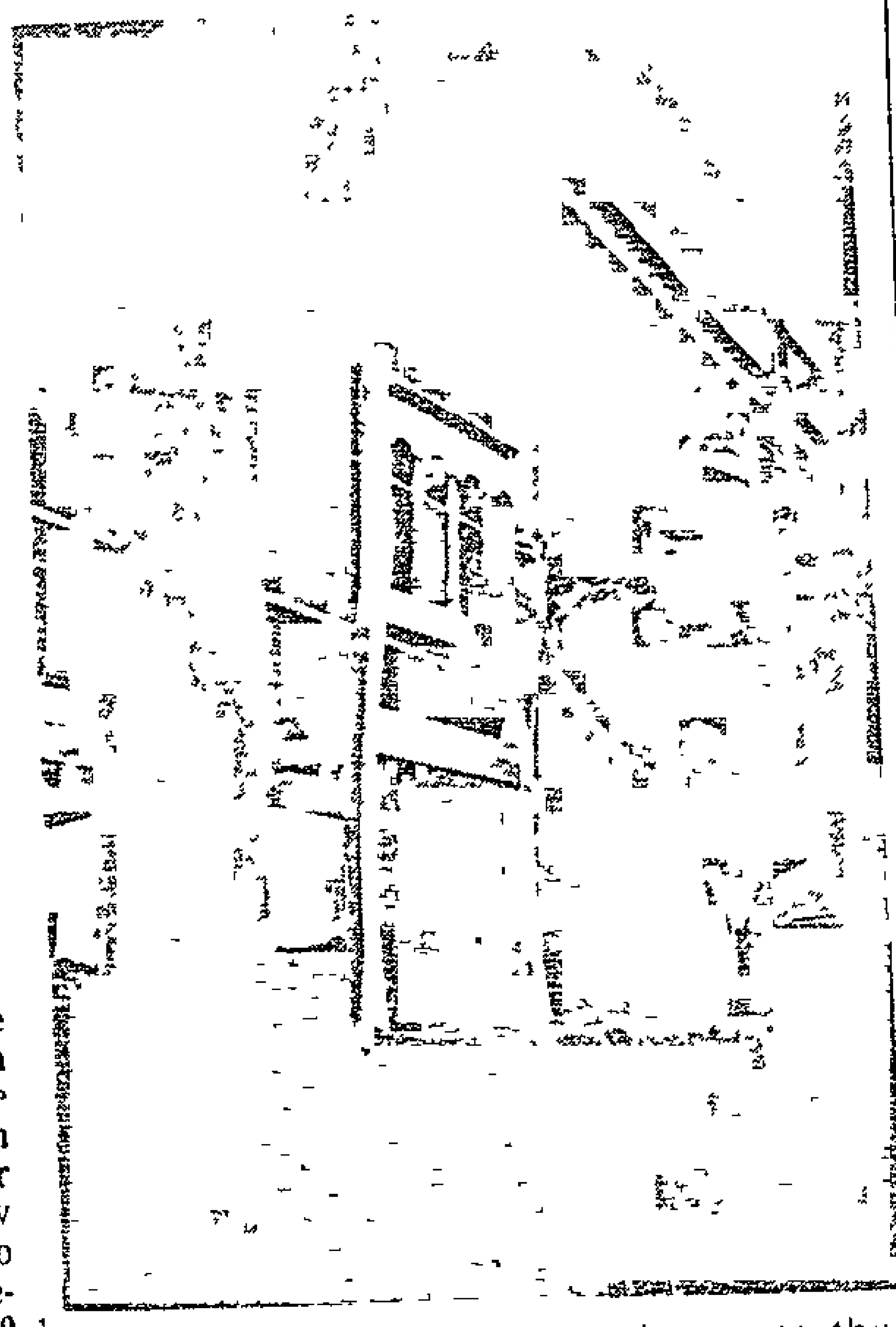

A FECHTER'S factory worker puts the finishing touches to a chair

SECTION B

Isolation 'will unfetter a siege mentality'

(186) Star 22/7/82

by Cheetah Haysom
New York Staff
Reporter

BUCK HILL (Pennsylvania) — Mr Tony Bloom, chairman of the Premier Milling group, has told top United States executives here that political and economic isolation will intensify the "siege mentality" in South Africa

Addressing a conference on American businesses operating in South Africa organised by the Yale School of Management, Mr Bloom warned yesterday that isolation would be a "negative, retrogressive step" that would persuade South Africans to accept "otherwise unacceptable formulae "

It would "intensify the paranoid siege mentality which ripples below our national psyche," he said

"The stifling of United States interests would remove a positive and constructive influence and would cause hardship and suffering among those who need help most "

South Africa was at the crossroads, he said

"If the Government chooses the road which will carry its bald statements about adaptation and the removal of discrimination into practice, then one can proceed with confidence that the potential of our country will be realised

"If, on the other hand, South Africa was to choose the other road, cling to the obstinacies of the past, retreat into its heavily armed white stockade and embark on another disgraceful wave of arrests, bannings, detentions without trial, then — though I have no doubt we will survive —the period ahead is not going to be a pleasant one "

The responsibility for the choice was heavy It was here that America and its political and economic interest could make a lasting contribution

Those companies operating in South Africa could ask themselves some questions, Mr Bloom said

- Are wages for blacks in their companies advancing fast enough?
- Have they moved toward equal pay for equal work and do they provide equal opportunities?
- Are they spending enough time, money and effort on training their workers?
- Are they promoting on merit alone and seeking out blacks with the required qualifications for managerial postions?
- Can they do more to improve the living standards and job opportunities for workers
- Are they contributing to workers' lives outside the job?
- Are they giving enough support for philanthropic projects which will benefit all sections of the community?
- Are they speaking out on matters of national importance such as detentions, removals and group areas?

Another speaker, Mr John Kane Berman, said the South African Government planned to enact one of the cruellest and most massively destructive laws

Mr Kane-Berman, a member of the executive committee of the Institute of Race Relations, said that the proposed Orderly Movement and Settlement of Black Persons Bill would be the most drastic piece of apartheid legislation since the pass laws were extended to include women in the 1950's

It was possible, he said, that attempts to confine increasing numbers of blacks to the homelands would be one of the major causes of racial conflict in South Africa in the years ahead

Paper No TWO
(to be copied from the heading on the Examination Paper)

Initials

NOTE CAREFULLY

1 Enter at the top of each page and in column (1) of the block on this cover the number of the question you are answering
2 Blue or black ink must be used for written answers The use of a ball point pen is acceptable Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used
3 Names must be printed on each separate sheet (e g graph paper) where sheets additional to examination book(s) are used
4 Do not write in the left hand margin

WARNING

1 No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed
2 Candidates are not to communicate with other candidates or with any person except the invigilator
3 No part of an answer book is to be torn out
4 All answer books must be handed to the commissioner or to an invigilator before leaving the examination

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

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Deal Party sawdust getting in people's hair

EP Post

21/10/82

By JERRY McCABE

A "sawdust storm" is getting in everyone's hair and some Deal Party employees are most unhappy

Mrs Evelene Butler, who works at a nearby firm, said "On Tuesday the sawdust was raining down on us It formed a mist over Deal Party for the whole day. My car was absolutely covered in the small sawdust particles "

Allegedly at the root of the problem are two furniture manufacturing factories in the area, which have been accused of "polluting" the area recently

"My hair is constantly dirty from the sawdust. Everything is always full of dust," another woman employee, who did not want to be named, said She said it had become impossible to open a window in their building, because everybody soon became "covered" in fine sawdust.

Mrs Joan Stevens, who also works near the furniture factories, said there were "all sorts of things flying around" She said they had to accept the sawdust as an occupational hazard " I suppose the factories cannot really help it "

Mr Roy Pritchard, general manager of Frystark, one of the firms allegedly responsible for the sawdust storm, said people who complained were "making a mountain out of a molehill" He said his firm had a minor problem with excess sawdust because of a breakdown of a dust extractor but this was now being repaired.

"We may be responsible for some of the stuff in the air but there are plenty of other culprits as well Anyway, people should expect this sort of thing from an industrial area," Mr Pritchard said.

RDM 25/10/82

(188)

Unions' test case

TODAY the Industrial Court begins hearing a case which will provide the first test of its attitude to a key labour issue — the closed shop

This principle means workers must belong to a union (often a specific union) to work in a particular job

The issue sparks off violent debate overseas, where it is is generally backed by unions, opposed by employers

Here, it is usually enforced through industrial council agreements between employers and established (previously non-black) unions

The new, mainly black, unions say their established rivals simply go to employers, get a closed shop covering blacks and, hey presto, a large (unwilling) black membership is theirs

Today the court, sitting in Durban, will begin hearing a case in which furniture firm Grafton Everest wants it to declare a closed shop an "unfair labour practice"

Three of its workers refuse to join a furniture union affiliated to the Trade Union Council of SA, which has a closed shop for black workers

RDM 27/10/82

Union to test 'unfair dismissal' law in court

By STEVEN FRIEDMAN
Labour Correspondent

THE Industrial Court is to be asked to order the reinstatement of a worker who was allegedly unfairly fired at a Wadeville liquor company — a case which will test for the first time recent changes to labour law

Until now the courts have compensated workers who have been unfairly dismissed, but have not ordered their reinstatement

And, in another development, an attempt to challenge the controversial closed shop principle — which compels workers to join a union — in the court for the first time may be thwarted on a technicality as a result of argument heard by the court on Monday

The move to seek a reinstatement application was announced yesterday in a statement by the National Union of Wine, Spirit and Allied Workers, a registered union with close links to Tucsa's Garment Workers Union

The union will seek the application against Distillers Corporation of Wadeville, which, it alleges fired a union shop steward without following laid-down dismissal procedures

According to the statement, the company has refused to reinstate the worker and the union is thus taking the matter to the court

The union says the case will "test the effectiveness" of the recently amended Section 43 of the Labour Relations Act, "which in its new form is untried by the court" The Section deals with "unfair labour practices'

The "closed shop" action was heard by the court in Durban yesterday It has been brought by Natal company, Grafton Everest, of which three workers face dismissal by the furniture industry's Natal industrial council because they refuse to join a Tucsa-affiliated union

The union has a "closed shop" agreement with employers on the council

The Mail's Durban correspondent reports that the industrial council's lawyer asked the court to refuse to hear the case because, he argued, the company had not followed correct procedure in bringing the case to court

The court is still to decide on this argument

PROGRESSIVE FEDERAL PARTY

Cracks in the facade

Unity within the Progressive Federal Party in the Transvaal has never been monolithic But it is showing more cracks than usual as a group of, generally young, anti-establishment "pragmatists" manoeuvre to seize control from the old-PFP northern suburbs elite

They claim to have no ideological differences with the establishment, but to be anxious for changes to increase efficiency and party image

So far the party leadership proclaims a bland ignorance of the rebels' existence Southern Transvaal chairman Douglas Gibson, within whose area most of the pragmatists are based, says there is certainly no split if it is defined as secret plotting against party leaders

"If, however, our strategy of promoting party growth and leadership in key areas outside the traditional PFP seats results in people like me being pushed out, then that's fine," Gibson said

Transvaal PFP chairman Max Borkum, who is a prime target of the pragmatists, would not discuss them If, as the *FM* believed, they were mainly from the southern Transvaal region, then it was up to Gibson to comment, said Borkum He also would not comment on the attempt by Marius Barnard, MP for Parktown, to unseat him as Transvaal chairman It was Barnard's "democratic right" to stand, he said

The pragmatists, who are not willing to be identified at this stage, claim the Barnard candidacy as an early trial of their strength Barnard failed by only 22 votes

Gibson says that far from being surprised, he had expected Borkum to lose, while Orange Grove MPC Joel Mervis was surprised at how close Barnard came Mervis says he has had no indication of a possible rebel movement except at the congress, when he was told by one of his constituency people that the Barnard candidacy represented "the other regions" trying their strength

Ironically, the establishment policy of building grassroots strength outside the traditional PFP areas in anticipation of taking advantage of an electoral split between Nationalist and Conservative Party voters coincides exactly with the rebels' policy of building strength in those same areas in order to eventually outvote the establishment

In both cases, that policy could be working PFP party strength in Randburg is now in excess of 450, that in Westdene more than 350, Johannesburg West is close to 400, and Florida over 300

This is still small in terms of the 1 500 to 2 000 members some of the northern suburbs constituencies can show — but strength is building up rapidly

PFP's Borkum ... almost ousted as Transvaal chairman

FM 10/12/82 198

LABOUR LAW

Closed shop stays

Grafton Furniture Manufacturers has failed to obtain an Industrial Court declaration that a closed shop provision affecting three of its employees is an unfair labour practice

The case, which has attracted widespread interest from unionists and employers, concerns an agreement negotiated at the Industrial Council for the Furniture Industry (Natal) A closed shop provision in the agreement stipulates that workers in the industry must belong to the National Union of Furniture and Allied Workers (NUFAW), an affiliate of the Trade Union Council of SA (Tucsa)

However, three Grafton employees have refused to join the union Grafton decided to go to court when the industrial council refused to grant it further exemptions from the closed shop provision Such a refusal meant that Grafton would have had to fire the workers (who have worked for it for 16, 25 and 28 years respectively) if they persisted in their refusal to join the NUFAW

Ernie Wentzel SC, who appeared for Grafton, told the court that the company wished to obey the law, but in doing so it would cause harm to persons with whom it had no quarrel This was why the company had asked the court to give guidance by way of a declaration

In a 28-page judgment, the court has ruled that this application is "an irregular step" It has granted the application by the industrial council that it should be set aside

The court has ruled that Grafton did not follow the procedure laid down by the Labour Relations Act This stipulates that the company should have referred the matter to the industrial council before bringing it to the court The next step that could have been taken by Grafton, if it disagreed with the council's decision, would be to appeal to the Minister of Manpower against the council's decision

Wentzel had argued that the council was the very body whose competence was at issue and it was therefore inappropriate for it to deal with the dispute

The court also disagreed with Wentzel's interpretation of its powers He argued that the Industrial Court is not an inferior court like a Magistrate's Court He said that within its own field it is a court of original jurisdiction as if it were a superior court

The court has placed a far narrower interpretation on its jurisdiction, and on its authority to make declaratory orders Says the judgment "The Industrial Court has not been established as a superior court or a division of the Supreme Court It being a creature of statute, it has no jurisdiction beyond that granted by the statute creating it "

Grafton has still to decide what its next step will be The court's ruling does not appear to prevent the company from bringing the matter back to the court once it has followed what are deemed to be the correct procedures

CAPE TIMES 3/11/87

Afcol posts 73% higher profits

(188)

Own Correspondent

JOHANNESBURG — Associated Furniture Companies (Afcol), thriving from higher sales and improved operating efficiencies, has posted a 73% increase in attributable profit to R15,7m for the six months to end September.

This takes earnings to 64,9c a share (38,2c a share) and outstrips the company's perfomance in the six months to end March 1987, when earnings of 62,2c a share were achieved

In line with the policy of covering the dividend twice by earnings, a significantly higher interim of 32,5c is to be paid (19,5c)

Shareholders could be in line for more good news, if executive chairman Laurie van der Watt's forecast of a significant increase in earnings for the year is correct "The amount of orders on hand indicate a good level of sales during the important December quarter"

Afcol's sales climbed 27% to R244m (R192m), while operating profit shot up 85% to R18,9m (R10,2m)

Lower interest payments and a higher tax rate of 49% (35%) left taxed profit at R16,2m, 74% up on the previous interim

The balance sheet at the half-way stage shows gearing has been reduced from 45% to 29%, a feat the directors consider "most satisfactory"

This performance was brought about by containing the growth of net asets to only 4% — despite a sales increase of 27% — and by a R13,4m cash receipt resulting from the sale by Spankor, in which Afcol has a 50% holding — of its property portfolio to an associated company

Firm fails over closed shop test

Mercury 16/12/82

(188)

Labour Reporter

A NATAL furniture manufacturer, Grafton Everest, has failed in its attempt to get the Industrial Court to test the controversial 'closed shop' principle which forces workers to belong to a particular union

And as a result it could be called on by the furniture industries' industrial council to fire three long-service employees if they persist in their refusal to join Tucsa's National Union of Furniture and Allied Workers

In his written judgment, the Court's deputy president, Dr D B Ehlers said that Grafton, which had asked the Court to rule that 'closed shop' forcing its workers to belong to the Tucsa union was an 'unfair labour practice', did not bring its application properly

The court action follows the Natal furniture industry's industrial council turning down Grafton's application for an exemption from the 'closed shop' provision on behalf of its three employees who are allegedly members of the S A Allied Workers Union

Irregular

In the judgment, Dr Ehlers said the company's court application was 'irregular' as Grafton had not followed the procedures laid down in the Labour Relations Act

In terms of the Act, Grafton should have referred the dispute to the industrial council before bringing it to court and further, the company had the right to appeal against the council's decision to the Minister of Manpower

Dr Ehlers also upheld the argument put forward by the industrial council that Grafton's application had been brought in terms of the wrong clause in the Act ...

The Court's ruling allows Grafton to either appeal to the Supreme Court against the judgment or to refer the matter to the Court again

A company spokesman said they would be meeting with their legal representatives in the new year to discuss which procedure to follow

A union source said the three workers would probably be given a further 90-day period to join the union before Grafton was asked to dismiss them

An industrial council spokesman said the matter would first be discussed by the full council before any decision was taken No meeting had yet been arranged

R100 fine on wages charge

Cape Times 1/1/83

(138)

Staff Reporter

THE owner of a City interior decorating firm was fined R100 (or 50 days) in the Magistrate's Court yesterday for contravening six sections of the Labour Relations Act and the Industrial Council Agreement

Ashraf Wagley, of Wagley Interiors, Loop Street, Cape Town, pleaded guilty to failing to forward the total weekly deductions made from employees' wages between August and September last year to the Industrial Council for the Furniture Manufacturing Industry

He also pleaded guilty to failing to pay holiday fund contributions

Mr B Carroll was the magistrate Mr R Warren appeared for the State Wagley was not represented

Money owed to ex-furniture men

Mercury 18/1/83

188

Labour Reporter

A LARGE sum of money has not been claimed by employees who have left the furniture industry

The secretary of the Industrial Council for the Furniture Manufacturing Industry, Natal, Mr J S Olivier, said yesterday that a large amount of money had accumulated in the sick pay, provident and holiday funds and if this was not collected before June 30 it could be forfeited

Mr Olivier said there were not large capital sums in the funds because the monies were made up of weekly contributions, but urged people who had left the industry without claiming their money to apply to the industrial council urgently

Applications can be sent to PO Box 1554 Durban or in person at Salmon Grove Chambers, 407 Smith Street

Mercury

200 workers retrenched

20/1/83

Mercury Reporter

DICK Whittington Shoes (Pty) Ltd in Pietermaritzburg has retrenched 200 employees out of a workforce of more than 2 000

Mr Graham Crouch managing director of the company, told the Mercury yesterday that the 11 percent who had been laid off had been given a week's notice

'We had to lay them off because of the downswing in the economy'

He said the retrenchments came from all categories and the employees had not been dismissed on a 'last in first out' basis

A spokesman for the National Union of Leather Workers said he would not comment on the retrenchments until he had discussed the matter with management

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Miss South Africa, 19-year-old Leanne Hosking of Amanzimtoti, returned to Natal this week after her triumph at the contest in Johannesburg Among the people who met her was her boyfriend, Keith Wright of Durban, a diver

'was paid R14 000'

...e told Mr Justice Henk van ...ting with two assesors, that ... insurance policies on Mr ... life were not originally taken ... the intention of committing

... denied identifying the body of ...own man as that of Mr Louw ...ganising for his funeral

... said she had understood from ... that the body buried as Mr ... Louw was his step-brother

She only realised that fraud ...ng committed at the funeral

...king quietly, Mrs Mooloo told ...ded court room that when she ... husband realised that the po... ere "hot on their trail' she ... arrangements for Mr Louw to ... the country

... approached her co-accused, ...sie Maluleka (51), who agreed ... him to Bushbuck Ridge from ... he would be taken across the border to Maputo in Mozambique

Mrs Mooloo was paid out R29 600 by one of the insurance companies After paying Mr Louw R14 000, the rest of the money was put into a trust account on the recommendation of her lawyer

Further, she dismissed the evidence of an eye-witness Mr Abie Nkwashu, as "a blatant lie"

The second accused, Mr Petros Bulunga (31), told the court he did not know either Mrs Mooloo or her husband, Mr Mustapha Jones He said he accompanied Mr Jones (who committed suicide in a police cell after his arrest) and Mr Louw on two occasions at the request of Mrs Maluleka

When he was dropped off at his home in Mamelodi after returning from Nelspruit, Mr Louw "was still sitting and breathing" The last time he saw Mr Louw he was still alive

The hearing continues

Industrial offences: Koranicki in court

Star 18/5/88

By Fiona Macleod

Heavyweight boxer Mr Mike Koranicki appeared briefly before a Johannesburg regional magistrate yesterday, charged with contravening agreements relating to the furniture manufacturing industry

Mr Koranicki (30) of Lombard Street, Raceview, Alberton, who is charged in his capacity as director of Kramer's Upholsterers in Alberton, was not asked to plead

Five of the charges relate to his alleged failure to pay monthly contributions and submit statements to provident, trade union and training funds between November 1982 and February

The sixth charge is an alleged failure to pay the Industrial Council a guarantee of R1 267 to cover payment for his employees in respect of these funds He faces an alternative charge of failing to notify the council of any changes to particulars in his registration as an employer in the furniture manufacturing industry

Mr Koranicki was remanded until August 4

He speaks up for SA

South Africa will be represented at the US finals of the International Prepared Speech Competition by Mr Nigel Fitton of the Johannesburg Engineers' Toastmaster Club

Mr Fitton won the district competition in Durban at the weekend

CLOSED SHOP FM 27/5/83

Grafton's battle

166 135 188 177

Grafton ~~Everest's battle against~~ the closed shop in the Natal furniture industry shows what a difficult issue this is becoming in labour relations in SA

A provision in an agreement negotiated at the Industrial Council for the Furniture Industry (Natal) stipulates that workers in the industry must belong to the National Union of Furniture and Allied Workers, an affiliate of the Trade Union Council of SA (Tucsa)

Grafton tried last year to obtain an Industrial Court declaration that the provision was an unfair labour practice It approached the court after three of its employees refused to join the Tucsa union, and the industrial council declined to grant the company further exemptions from the closed shop provision Such a refusal meant that Grafton would have had to dismiss the workers (who had worked for it for 16, 25 and 28 years respectively) if they persisted in their refusal to join the Tucsa union

The court, however, took the view that Grafton had not followed the procedure laid down by the Labour Relations Act (LRA) This stipulated that the company should have referred the matter first to the industrial council The next step that Grafton could have taken, if it disagreed with the council's decision, was to appeal to the Minister of Manpower

Not surprisingly, Grafton was unhappy with this ruling The company's legal representative had argued that it was inappropriate for the council to deal with the dispute because it was the very body whose competence was being questioned

Grafton nevertheless decided to take the matter to the council However, it appealed to the Minister after the council was not able to resolve the matter to the company's satisfaction

A decision by the Minister may have then settled the matter But just to make things more complicated, an amendment to the LRA earlier this year removed the Minister's power to grant exemptions from industrial council decisions — including those governing the closed shop The authority to grant such exemptions was transferred to the Industrial Court

continued on P1031

A difference of opinion now exists over whether the Minister still has the authority to grant exemptions on matters referred to him *before* the amendment to the LRA came into effect on May 1 Grafton made its appeal to him before this date

Some senior government men believe the Minister has the power to decide on issues referred to him before the LRA amendment, but the industrial council disagrees It is seeking a Supreme Court declaratory order prohibiting the Minister from making a decision — not on the Grafton appeal — but on an appeal by another company falling within its jurisdiction for an exemption totally unrelated to the closed shop

However, the effect of this legal challenge is that efforts to get the Minister to make a ruling on the Grafton appeal have been stalled It now appears that a decision by the Minister on the Grafton appeal will have to be delayed, pending the outcome of the Supreme Court hearing on the other case

There is a singular irony attached to this protracted process If the Supreme Court prohibits the Minister from making a decision on matters referred to him before the LRA amendment, Grafton will be steered back in the direction of the Industrial Court — something that the industrial council resisted so fiercely in the first place

RDM 30/5/83 188

THE challenge to the "closed shop" by Natal furniture firm Grafton Everest is not dead

Last year the company took a Tucsa union and the furniture industrial council to the industrial court because the council wanted it to fire some of its workers for refusing to join the union

The case was seen as a key test of the closed shop, but the court ruled it could not decide on it because it had not been referred to the council first

Grafton is still trying to get the case back to the court, but its efforts are being delayed by a Byzantine legal wrangle about whether the Minister of Manpower has the right to exempt workers from the "closed shop

So the case may not return to the court for a good while yet

United we stand, say workers

City Press 17/7/83 188

THEY HAVE had no income since September last year, have sold their possessions, but still 249 Brits workers refuse to give up their 10-month struggle for fair treatment.

B & S workers meet . . "the only way is to stick together."

CP Reporter

The 249 workers were fired from B&S Steel Furniture Company on September 7 last year

They believe they were unfairly dismissed and have been fighting for reinstatement since then They believe they were dismissed because the company was trying to get rid of a union presence in the factory

Managing director H Back said this week he believes he has always treated his workers fairly and properly

Everyday for 10 months the workers have gathered in a church hall in Brits to discuss their position and make decisions on their next move

The Metal and Allied Workers Union, to which most of them belong, took the matter to the Industrial Council earlier this year, but the council failed to break the deadlock

This week they began an Industrial Court action that could become crucial to labour relations in this country

They are asking the court to rule that they were unfairly dismissed and to reinstate them retroactively They are also asking for R850 000 in back pay, the largest claim ever to come before this court

It is also believed that the kind of labour practice these workers are fighting is common in outlying areas like Brits If the court finds these practices to be unfair, this could be a first step towards stopping them

The 249 workers claimed the company turned off the machines on September 7 last year and fired everyone

This came the day after a meeting between shop stewards and the managing director over the sacking of a worker

Mr Back told the shop sterwards he was the boss and would do as he liked.

The union says the company had hindered the union in its attempts to organise workers

The company then rehired some of the workers, leaving out those who were active in the union, say the strikers

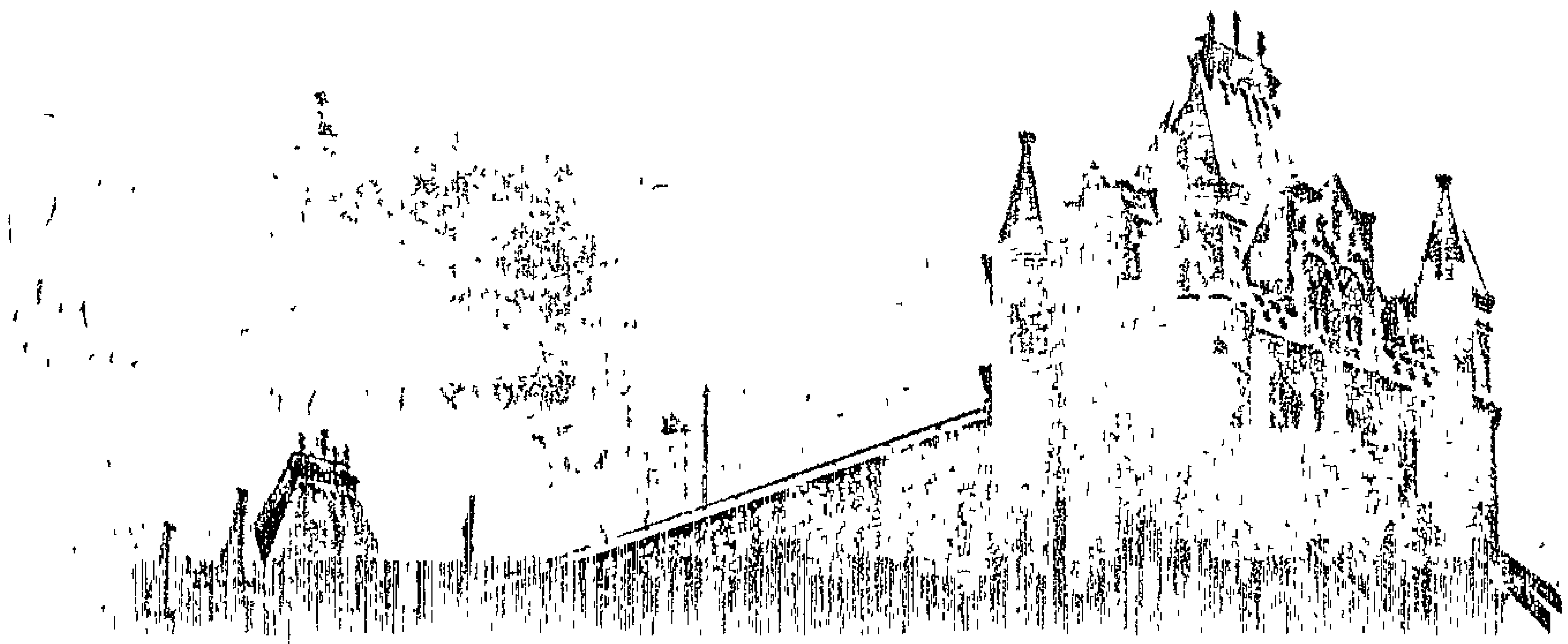
"Some of us have had to sell our goats and cattle and this was very difficult, as we sold them for very little," one worker said

"We have come to realise what it is to sacrifice and stick together and to trust one another

"We learnt that by being alone nothing could happen and the only way was to stick together," he said

'GARLIC JUICER KILLED BUTCHER'

London s most famous landmark — Tower Bridge.



Twenty-eight sacked

Sowetan 16/8/83

By PHIL MTIMKULU

TWENTY-EIGHT workers from two different companies have been sacked after they approached their management for pay increases.

The two incidents took place at Watergate and Datco in Alrode and Vaal Reefs Electrostatic Powder Coating in Alberton Seven workers were fired at Datco on Friday and the rest came from Vaal Reefs who were sacked yesterday

A Mr Brandt, who said he was the owner of Watergate and Datco, said as far as he was concerned the seven workers went on strike He said by virtue of them stopping the machines and affecting production, they had gone on strike and thus he was not going to re-hire them

At Vaal Reefs, a person who identified himself as Mr Ginsburg, refused to talk to reporters

23 strike over pay

SPS 17/1/83

Labour Reporter

Twenty-three workers at Vaness Products, Koedoespoort, went on strike today after a unilateral wage adjustment by management

The workers claimed that the shop stewards had not been consulted before the 14 percent adjustment was announced

Vaness is a branch of Bruply Doors Boksburg

Gundle buys up B&S controlling interest

188 ~~187~~ 30/8/83

By STEVE ELLIS

CASH-RICH GUNDLE Industries has acquired a controlling interest in B&S Steel Furniture for R3 856 369 and an offer is soon to be extended to minority shareholders.

The offer price will be 341c a share — the same as that paid by Gundle for the Back family's 50,1% holding in B&S of 1 130 900 shares — payable in cash

If all minorities accept the offer, and there is little reason to think they won't, Gundle will have to reach deeper into its pocket for another R3 837 955

The total cost of the acquisition would thereby total R7 694 324

B&S shares were suspended from the furniture sector of the Johannesburg Stock Exchange yesterday at the company's own request B&S's last sale price was 265c. The minority offer, therefore, affords shareholders a 28,7% premium

An announcement by the companies yesterday said it was intended to re-list B&S's shares once stock exchange formalities have been fulfilled

The 341c offer price is equal to B&S's net asset value a share at the end of the group's latest financial period, to December 1982 Net assets then totalled R15 135 827

The chairman of Gundle, Mr Clifford Gundle, said the B&S purchase did not represent the end to Gundle's acquisition aspirations but quickly added that the group was not on the "takeover trail"

Gundle's cash position was "very healthy" and, although Mr Gundle could not disclose the group's liquid balances, he said "we still have a fair amount"

The B&S deal comes less than six months after Gundle sold its plastics operation to AECI for nearly R20-million

More than half the AECI consideration was paid in cash and the group will still have part of that sum to utilise on further investments even if all B&S minorities accept the offer

The companies' announcement said the B&S purchase was in line with Gundle's stated strategy of continued investment in businesses related to the construction industry

Gundle has two subsidiaries — Gundle Cupboard Systems and Republic Kitchens — manufacturing and installing bedroom and kitchen cupboards

B&S, with its specialised fabricated metal furniture products for kitchens, offices and household installation, would give Gundle deeper market penetration and also provide B&S with wider national sales coverage and export opportunities

Mr Gundle said the managing director of B&S, Mr Hymie Back — a close friend of Mr Gundle's — would remain at the helm of the group, and that "(Mr Back's) two sons and son-in-law will continue to contribute their expertise to the ongoing growth of the company"

No managerial changes were envisaged for B&S and the new subsidiary would operate as a "totally separate autonomous operation"

The move by Gundle sparked market speculation that the group could use B&S's listing to reverse Gundle's other operations onto the JSE

However, Mr Gundle said, Gundle would continue to operate as a private group and that a listing was not envisaged at this stage — "It certainly wasn't the reason we bought B&S"

The chairman said that if ever the group required a listing, it would go to the market by itself However, because of its present cash-flush position, such a move was some way off

B&S's taxed profits fell to R1 641 845 from R2 122 692 in the year to December but total dividends were maintained at 18c

In his annual review, Mr Back said 1983 profits were likely to be "substantially decreased" — a forecast which has since been confirmed by Mr Gundle

However, Mr Gundle said his group did not buy B&S on present-day considerations "We've seen B&S grow through the years and our attitude is, 'What is going to happen over the next 10 years?'"

Business Day

188

RDM 18/10/83.

Gundle may be the force behind B&S suspension

By JOHN MULCAHY

B&S Steel Furniture Company, in which Gundle Industries (Pty) recently acquired a controlling interest, was suspended on the Johannesburg Stock Exchange yesterday.

Although the company was not prepared to discuss the reasons for requesting the suspension, it came only days after the closure of the Gundle offer to minorities and amid speculation that B&S might be used as the vehicle for listing some of the other Gundle group interests

The Gundle offer to B&S minorities gave them a 28,7% premium over the price ruling on August 29, the day before the offer was extended

Gundle paid H Back Family Holdings (Pty) 341c a share for its 50,1% stake in B&S, which compared with the JSE price of 265c on August 29

Since then, B&S has traded around the offer price, and on Friday — the last day of the offer — it closed at 345c

The Gundle group has two divisions closely related to B&S activities — Gundle Cupboard Systems and Republic Kitchens

It is conceivable that the two will be moved into B&S in exchange for paper, giving Gundle a bigger stake in B&S

But this largely depends on the extent to which the offer to minorities is accepted It is an attractive price at a time when B&S is going through a difficult patch

Results for the six months to June showed a substantial decline in attributable profit — to R215 000 from R954 000 — in what the directors described as "extremely severe trading conditions"

Mr Clifford Gundle, the chairman of the Gundle group, has said that B&S will be run as an entirely separate and autonomous operation, and that the logic in buying it is not related to a desire to list the Gundle interests

Gundle Industries has been sitting on a cash pile since AECI took out the plastics division for about R20m and there would thus be no reason to go to the market for financing

But the synergy of combining Gundle's furniture manufacturing operations with the B&S established presence in the kitchen, household and office furniture markets is obvious, and could help B&S out of its current travails

RDM 20/3/84 188

B&S embarks on buying spree

By MIKE JENSEN

B&S Furniture, formerly B&S Steel Furniture, has bought Furnsteel and Furnsham from Dundee Industries for R2,1m and will announce more acquisitions tomorrow.

Furnsteel has been acquired for a cash consideration of R800 000, effective from January 1. Furnsham cost R1,3m

Furnsteel makes office furniture similar to that produced by another company in the B&S group — Steelbrite.

B&S's managing director, Mr Bert Davids, said yesterday the cost of buying Furnsteel was related to assets acquired Furnsham's price arose from B&S's evaluation of the property

The acquisitions are not expected to have a significant impact on earnings in the current year They have been funded by medium-term loans from the holding company and by external sources

Mr Davids said further acquisitions would be announced tomorrow.

Whereas the group's activities were previously confined to the manufacture and marketing of products made from steel sheet, they now cover a wide range of domestic and office furniture

After the offer to B&S minority shareholders in October last year, Clifcor acquired 96% of B&S's issued share capital To fall in line with Johannesburg Stock Exchange requirements, Clifcor has undertaken to reduce its holding in B&S to 85% by next November

The surplus of R8,7m revealed on revaluation of all B&S group properties has been transferred to non-distributable reserves This, together with the additional shares issued, has resulted in an increase in ordinary shareholders' interest to R22,7m from R7,7m.

The net asset value a share, based on the higher number in issue, has risen to 404c from 341c.

The directors expect significant improvement in the level of income as a result of the restructuring

"These earnings will, however, only reach their true potential once new management has been able to settle down "

Surplus funds are expected to be redeployed in operating assets and working capital as the business grows

"The primary financial objective is to achieve a sustainable return of 20% on equity employed The dividend policy will be changed to cater for a dividend twice covered by earnings "

COMMENT· B&S is gearing up for dramatic developments in the furniture industry

At yesterday's share price of 460c, B&S yields only 1,7% on historic dividend, suggesting the market has anticipated a substantial improvement in results.

ROM 2/4/84 ~~164A~~ 188 ~~135~~

THE Supreme Court has been asked to take the unprecedented step of forbidding a union to organise workers in an industry.

This is the implication of a case brought by Tucsa's National Union of Furniture and Allied Workers (NUFAW) against Fosatu's Paper, Wood and Allied Workers' Union

NUFAW has a closed shop, forcing furniture workers to belong to it This is common, but has never prevented rival unions recruiting in a closed shop industry. Workers can join the rival but need an exemption to resign from the closed shop union

But NUFAW now wants the court to grant an interdict stopping PWAWU recruiting in the industry.

In Natal recently, Tucsa's Garment Workers' Industrial Union changed its constitution to provide for the expulsion of members who join another union

This was a response to competition by Fosatu's National Union of Textile Workers Its effect could be that workers who join NUTW will lose their jobs

Both responses indicate that established unions are increasingly concerned at the emerging union threat to their closed shops

They are set to fight this with legal and constitutional moves rather than attempts to rally worker support

Memorial Highlands North will be held a Doves and Wilmot West Chapel 10 Jorissen Str Braamfontein on the 9th April 1984 10am morning It is suggested that donations in lieu of flowers be sent to Randjieslaagte Memorial Highlands North Enquiries DOVES AND WILMOT 339-5967 van Wyk

KLOPPERS
Johannes Jacobus (Hansie) Founder of J J Kloppers and Co Funeral Directors, late of Selcourt, Springs, will leave the NG Church Delmas on Monday 9th April 1984 after a service at 10am for the Delmas Cemetary DOVES AND KLOPPERS Springs Tel 56-0501

KNOX
A memorial service for Doris Kelman (Dickinson) late of Kensington Johannsburg will take place at the Victoria Methodist Church, Main Street Belgravia on Thursday April 5th, 1984 at 3 pm Suggest donations in lieu of flowers to Nerina House 61 Northumberland Road Kensington, 2094

LABUSCHAGNE
A service for Edward Pieter (Nokkies) late of Karl Street, Jeppe, Jhb will be held at the Old Apostolic Church of Africa, cnr 6th Avenue and Bird Street, Mayfair on Monday 9th April at 2 30 p m prior to the interment at the West Park Cemetery DOVES & WILMOT Tel 339-5967

NAGEL
The funeral for Lorna Doreen of Witbank will leave the Doves and Kloppers Chapel Geduld Ext, Springs on Monday 9th April 1984 after a service at 3pm for the Springs Cemetery, DOVES AND KLOPPERS, Springs Tel 56-0501

PERDIKIS
The funeral cortege for Othon late of Kleve, Hill Park, Sandton will leave Doves and Wilmot West Chapel 10 Jorisson St, Braamfontein on Saturday April 7 after prayers which will be said at 10am, proceeding to The Greek Orthodox Cathedral of St Constantine and Helen, Wolmerans St Joubert Park, for a service commencing at 10 30 am, prior to interment at West Park Cemetary DOVES AND WILMOT Tel 339-5967

SMIT
A service for Lorraine Illona late of Windsor Green flats Windsor Randburg will be held at Doves and Wilmot West Chapel 10 Jorrissen Street Braamfontein on Monday 9th April at 11 am prior to the cremation which will take place privately Donations in Lieu of flowers may be sent to S A Blood Transfusion Services P O Box 93326 JHB DOVES and WILMOT Tel 339-5967

SPOWART
The cremation service for Martha Amelia (Matty), late of Springs, will take place on Monday, the 9th April 1984 at 1-30 pm from the Methodist Church, Springs Central No flowers by request. Donations to Red Cross Old Age Home Springs DOVES AND KLOPPERS Springs Tel 56-0501

VIVIERS
The cremation service for Alexander Frank Viviers, late of Florida, will be held in the Florida Methodist Church, Monday 9/4/1984 at 3pm No flowers by request, donations to charity of own choice WILMOT, McDOUGALL and ROETZ Tel 763-3871

WAPENAAR
A Requiem Mass for Anastasia Alida late of Cosmos House, Kensington will be celebrated at St Charles Roman Catholic Church Road No 3 Victory Park on Saturday April 7th at 10 30 am prior to interment at West Park Cemetery DOVES AND WILMOT Tel 339-5967

Furniture workers still firm on pay bid

Star

Russells furniture-factory workers stated yesterday that they would stand firm in a bid for higher wages

All 150 workers at the Wadeville factory went on strike at 8 am and singing freedom songs, waited all day for the results of negotiations between management and representatives of the Commercial, Catering and Allied Workers' Union (CCAWUSA)

"We have a strong spirit," said a workers' representative "We will continue to strike until we are no longer hungry"

Union men said that management is reluctant to grant the increase of R40 demanded by the workers

They want the workers to return to the factory floor while negotiations continue, but the workers have refused

Workers are dissatisfied with working conditions — citing the high-handed attitude of their bosses as the cause of the problem

Policeman allegedly hit boxer

West Rand Bureau

An incident in which the South African lightweight boxing champion, Aladdin Stevens, was allegedly knocked cold in a Randfontein police charge office had a sequel in court this week

Detective Sergeant Piet Wessels appeared before Mr M C Pretorius in the Randfontein Magistrate's Court on a charge of common assault

Mr Stevens was apparently in the charge office making a statement when he was said to have been knocked out by a punch

The boxer is ranked number five in the world and known as a formidable fighting machine

Detective Sergeant Wessels was warned to appear in court again on May 4

Victims put in cupboard

East Rand Bureau

A 76-year-old Germiston pensioner was threatened with a knife and tied up by an intruder yesterday

Police said a man threatened Mrs Martha Human of Elm Road, Primrose, and a domestic servant in her home at 10 30 am He tied them to chairs and put them in a cupboard

He ransacked the home and made off with a revolver, radio and an unknown amount of cash

A police spokesman said the women were able to free themselves shortly afterwards and raise the alarm They were not injured

● Primrose shop assistant Mrs Charmaine Caetano (25), of Ranson Office Supplies, was also robbed at knifepoint yesterday An amount of R400 was taken

'Isolation' of H

By Fiona Macleod

Barbara Hogan, serving 10 years for treason, has brought allegations of maltreatment and the withholding of privileges against the head of the new Johannesburg Prison and the Commissioner of Prisons

She claimed in an application before the Rand Supreme Court yesterday that she "may not survive mentally and physically the cruel and inhuman treatment"

Hogan applied for an order compelling the prison authorities to afford her the rights and privileges provided for convicts

Mr Justice P J Schabort postponed the case to August 20

Hogan made certain allegations in an affidavit and Brigadier Cornelius Geldenhuys

Mathee, head of
submitted a reply
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Sowetan 10/4/84

Strike at Russells may spread

(188)

THE strike by over 150 workers at Russells furniture warehouse in Roodekop near Wadeville, is likely to gain momentum as several workers employed by the group have threatened to down tools in solidarity with the strikers.

This was confirmed to The SOWETAN yesterday by an organiser of the Commercial, Catering and Allied Workers' Union of SA (Ccawusa), who said that other workers have threatened to join the strikers if the management was not prepared to meet their demands

The organiser said that the workers were locked-out when they arrived for work yesterday They left the premises and later assembled at the union offices in the city

The workers, all members of Ccawusa, last week went on strike in demand of a wage increase and recognition of their union They demanded a R40 increase across the board They are earning R49 per week

The union spokesman said that they have held talks with management concerning the workers' demands Management has "blatantly" refused to give workers increases, he said

This attitude, he added, has prompted workers at other Russells outlets to threaten similar action The workers are to hold a meeting today at Khotso House

Management has declined to comment on the matter

Supply of hardwoods 'cannot be guaranteed'

188 E. Post 6/6/84

JOHANNESBURG — South Africa would have to reduce its dependence on other countries for the important supply of hardwoods to the furniture and joinery industries, the Minister of Environment Affairs and Fisheries, Mr Sarel Hayward, said yesterday

While South Africa had sufficient provisions of softwoods, especially for the building trade, the future supply of hardwoods from abroad could not be guaranteed, Mr Hayward said at the opening of the new centre of the Furniture Industry's Training Council in Johannesburg

The threat of diminishing supplies, he added, was being caused by the burgeoning international demand for hardwood species

Furthermore, the world's tropical forests were being depleted faster than they were being replanted

At present trends, it was calculated that the world's supply could last another 60 years

Mr Hayward said his department, in its attempts to stimulate local production of hardwoods, had established 400 hectares of selected species in the eastern and northern Transvaal

These plantings would be increased to a total area of 1 100 hectares, providing timber for the furniture industry

Mr Hayward said he had also appointed a committee to investigate the feasibility of marketing blackwood and other indigenous timbers from the Southern Cape and Tsitsikama regions — Sapa

FM 29/6/84

INDUSTRIAL COUNCILS

Whose jurisdiction?

188

A demarcation dispute that has bedevilled industrial relations in the building and furniture industries for almost 30 years is close to being resolved.

At issue is whether workers making built-in kitchen and laboratory cupboards, as well as other fine woodwork such as church fittings, should fall under the jurisdiction of the industrial councils for the building industry or those of the furniture industries

All involved are believed to have agreed, in principle, on a solution. Clarification is still awaited on a few minor areas of disagreement. No-one is prepared to reveal details of the settlement. It is claimed that the matter is extremely sensitive and any premature discussion "could be prejudicial to the final negotiations."

However, the *FM* has learnt that, in essence, the agreement provides for dividing the contested functions between the jurisdictions of the different industrial councils The seemingly logical solution, however, is more complex than appears at first sight. The dispute has a legacy that stretches back to the post-war days and it has taken a year of "extremely sensitive negotiations" to get the parties to the point where they are now.

One of the problems is that employer groups insisted that no employees should be prejudiced in any way by the final settlement There are thousands of employees involved together with a number of trade unions and employers With some employees destined for a change in status in terms of the new demarcation agreement, which could mean they will be entitled to changed benefits under their new industrial council, negotiations became extremely tricky.

In addition legal sources say that there were principles of labour law at stake The splintering of big industries through the emergence of new technology is leading to the demise of some large industries and the fragmentation of trade union groups This has major implications for SA labour law.

However there seems to be a degree of elation that a settlement is finally in the offing Industry spokesmen say an anarchic situation existed with employers playing one industrial council off against the other — often to the detriment of employees

FM 13/7/84

(1400) (138) (188) (189)

UNION DEMARCATION

Closed shop threat

The Paper Wood and Allied Workers' Union (Pwawu) has been granted costs in a case involving a dispute with the National Union of Furniture and Allied Workers (Nufaw). The judgment is likely to lead to a serious challenge to the Nufaw's closed shop in the furniture industry

The case has a convoluted history Earlier this year the Pwawu, which is affiliated to the Federation of SA Trade Unions (Fosatu), recruited a number of workers at Pat Cornick, a Brits furniture factory Alarmed at this encroachment, the Nufaw made an application to the Rand Supreme Court for an urgent interdict to prevent its rival from organising in the furniture manufacturing industry

The argument the Nufaw used was that the Pwawu's constitution did not make provision for it to cover furniture workers It said the paper union was therefore acting in contravention of its own constitution. The Nufaw also argued that workers who did join the Pwawu would be endangering their right to continued employment as it had a closed shop for the industry At that stage the Pwawu gave the Nufaw an undertaking not to organise furniture workers

However, the Pwawu had applied to have its scope extended to cover furniture workers before the Nufaw's application came before the Supreme Court By June, when the matter came up for hearing, the extension had been granted As a consequence, the hearing revolved around costs and whether the Nufaw had been entitled to to prevent the Pwawu from recruiting furniture workers at the time the application was lodged.

(1400) (138) (188) (189)

FM 13/7/84

In the hearing, legal representatives for the Pwawu argued that the furniture union was a corporate body apart from its members. The Nufaw therefore did not have the right to bring the application because it had not suffered any harm.

Mr Justice M B Labe, who handed down his judgment last week, found that in other circumstances the Nufaw would have had the right to approach the court on behalf of its members — although it had itself suffered no harm. But he also found that the Nufaw did not necessarily have the right to claim the relief it sought in the costs hearing.

The judge said the Nufaw had not come to court to claim relief for its members Rather, it had sought to prevent the Pwawu from canvassing or accepting as members any workers employed in the industry who were eligible for Nufaw membership Because Nufaw had used the fact that the Pwawu constitution did not cover furniture workers as the basis for its argument, it meant that the Nufaw did not have the right to seek relief.

(188) (1039) (259) S. Times 19/8/89

Taiwan loses seat to Babelegi

A BOPHUTATSWANA manufacturer is eating into Taiwan's domination of the garden furniture market in the United States

It cannot beat the Chinese on cost price — in spite of favourable steel rates from Iscor — but a shorter distance to the US East Coast gives it the edge

Johan Mostert, who has brokered and co-ordinated the deal between an American buyer and Teltube at Babelegi, says a sample consignment of 2 000 chairs to Houston prompted an order for 2-million This has been raised to 4-million.

The deal was arranged when Mr Mostert, of JH Mostert & Son, displayed a portable garden gazebo in Dallas and at the Chicago Trade Fair

Now he is looking at exporting chrome hubcaps to Detroit and shoes and mattresses to the US

The order for 2-million garden chairs is worth R6,25-million and will be shipped to the US from Durban in 2 000 containers from November

Mr Mostert says "We found that the landed price of Taiwan chairs in the US was cheaper than the raw material price in South Africa But with help from Iscor and the Decentralisation Board our prices come close."

Durban's advantage over Taiwan in shipping distance to the US East Coast makes the Babelegi chairs competitive

Rail costs from Babelegi to Durban, however, are a stumbling block. Mr Mostert says South African Transport Services charges R1 000 to rail a 40ft container to Durban. The same container costs $1 650 to ship to the US

To avoid crippling rail costs, Isithebe in Kwazulu — a major decentralisation point — will be the site of another factory to produce garden furniture for the US

According to Mr Mostert, steel rod, PVC and aluminum garden furniture are other possible products Hulett's Aluminium and AECI are designing prototypes

Mr Mostert says "Within two or three years, South Africa could be a world leader in the export of garden furniture Manufacturers have to develop a global strategy and look for small mark-ups on high volumes"

Argus **NATIONAL/CITY** 7/9/84 (188)

Nail-biting is part of election — councillor

Tygerberg Bureau

"NAIL-BITING is one of the things you have to accept in an election " says Durbanville town councillor Mr Eddie Fivaz

This week he won a narrow 10-vote victory over his opponent in Kenridge (Ward 4), in the municipal elections

It was the first election in his 12 years as a councillor that Mr Fivaz has had to fight And it was a close thing against newcomer Mr Lukas Olivier chairman of the ratepayers' association

NEW PEOPLE

'Nobody should consider themselves entrenched in any position because the population is always shifting and new people move in and out," Mr Fivaz said

He enjoyed the election and did not mind the close finish

"I am encouraged by the outcome I think that with the proper channels of communication between councillors and voters, great things can be done " he said

Company 'threat' to send union men back to Transkei'

Staff Reporter

THE General Workers' Union is to take a Strand company to the industrial court unless the firm's migrant workers, allegedly fired for belonging to the union, are "immediately reinstated"

The GWU general secretary, Mr David Lewis, said the union had written to Strand Foam, giving the company a list of union members and asking for recognition

Yesterday a company director asked all workers who belonged to the GWU to "stand to one side"

Two arrested

When the majority of workers indicated that they belonged to the union, they were fired and told that transport back to the homelands had been arranged Mr Lewis said

Two union organisers, the Rev Howard Marawu and Mr Wilson Fundani, paid R40 admission of guilt fines late last night after being arrested for being in a black hostel without a permit

The two men said they had been arrested near one of the influx control monitor points at the intersection between the N2 and the turn-off to Lwandle, at the bottom of Sir Lowry s Pass

However, a Western Cape Development Board spokeman said a board inspector had arrested the men in Lwandle township some distance from the monitoring point, while they were adddresing a meeting of workers

The managing director of Strand Foam, Mr W J Laurie said 216 workers were employed at the factory Fifty of them had left because their contracts had expired and another 50 were in dispute with the company

Death threats

"There are unregistered unions from Cape Town trying to interfere with our works committees which have run for 34 years'

He said the union was "going as far as threatening to kill employees who do not join the union, so much so that we are now housing some employees on the factory premises"

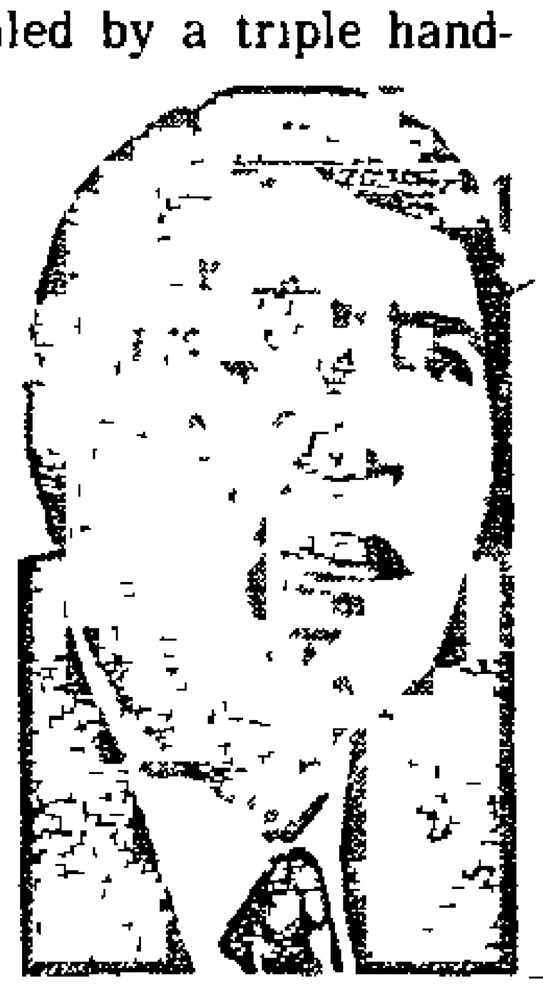
"There are 50 workers, with whom we are negotiating, who were intimidating the other workers to join their unregistered union and whom we would like to send back to the Transkei " Mr Laurie said

He said that the factory was "operating normally" today

Pact ends Transvaal's rugby chaos

Argus Correspondent

JOHANNESBURG — The turmoil inside the Transvaal Rugby Football Union has ended with a peace pact sealed by a triple handclasp



Mr Louis Luyt

Mr Louis Luyt, called in to take over the presidency of the TRFU, last night emerged from negotiations with the pledge "Transvaal rugby starts a new era and we intend to work our way back to the top "

Harmony was restored when Mr Luyt clasped hands with the two main protagonists in the battle that was brought to a head when the controversial Mr Jannie le Roux was forced to quit on Monday night as

Angling teams named for contest

Staff Reporter

THE Western Province rock and surf angling teams to take part in the mini inter-provincial tournament at Struisbaai on October 13 and 14 and the national championships in Port Elizabeth in March have been selected

The official Western Province team to fish in both tournaments is Heavy tackle Dave Menesis (captain), Boetie van der Berg M Pugh, C Bauermeister H van Greunen, A Kriel D Wright G Roberts and J Barnard (reserve).

Light tackle Nols van Zyl (vice-captain), L J van Zyl, Tobie Lerm, W de Jong and P Kehl (reserve)

The Western Province Association team for the Struisbaai

RDM 31/10/84 (18)

The sad saga of a business which is doomed to fail

LAST week you published a report by Debbie Reynolds which dealt with the disastrous effects of the furniture manufacturing industry on the recent draconian regulations in respect of GST and the deposits and terms relating to hire purchase transactions.

In her report Ms Reynolds intimated that my brother, who was a well-known and well-liked Durban furniture manufacturer, took his own life largely because of business problems arising out of these regulations. To a certain extent she was correct

In fact, the sudden attack on furniture HP was only the proverbial last straw I doubt that anyone not in the trade really knows how the small-to-medium sized furniture manufacturer is forced to struggle in the ever-tightening coils of the retail chain giants

I weep crocodile tears when I read the Press statements by senior retail executives about how tough things are in the furniture trade

Do their customers "squeeze" them until they barely cover cost, just to stay alive? No fear Not only do they not budge on price (except, maybe, for spot cash) but they also enjoy the interest income which they earn on every HP sale

Do their customers ask for (and get) ever-increasing terms of payment, enterest-free, and then deduct all sorts of "credits" from their cheques, "because we haven't received the signed invoices back from the branch. Please let us have a copy?", thus gaining a further 30 days No sir. Don't pay on time and very soon your furniture will be repossessed

Do their customers keep their trucks waiting, sometimes all day, and then, as often as not, send them back, after telling the driver to "come back tomorrow"?

Do their customers order goods, and then, a week or so before delivery, simply cancel the order? Or ask (sic) the factory to "hold on to the order, we're taking stock on the 25th"?

So that the manufacturer has to sit with completed and half-completed suites in the factory, wondering where the hell to put them?

Does the public know that most manufacturers deliver furniture to chains' branches anywhere in the Republic at the same price, but that many retailers then charge their customers for delivery?

Of course, there are "good" retail chains other than the sort I have described above In the same way that there are "bad" manufacturers.

But I cannot begin to tell you of the agonies and frustrations of dealing with some of the big groups the waiting in the factory at night for trucks to come back, the cramps in the gut when half — or all — of a carefully packed consignment is returned as "damaged in transit", or with the delivery notes endorsed "deliver after 25th", or "order cancelled" (when? by whom?) or any of the dozens of stock excuses which some groups use to gain another 30 days?

Or not to take delivery when it suits them But oh, the sweetness and light when they want something "urgently, it's a sale"

The honeyed tones, the "ag, be a pal — take one away from another ou" hypocrisy Well, anything for a "pal" Maybe when things get tough your "pal" will try to help you out So, stop the machines, shift into another gear, work all day Saturday and Sunday (at double rate), and deliver the suite on Monday

Having made it at a loss, of course Maybe you'll get a "thank you, pal" But don't be surprised or upset if the goods come back because "the customer didn't have the deposit"!

And all this for a miserable 5% profit, or less That is, if the group doesn't use its muscle to make the poor little manufacturers pay for his full-colour catalogue by means of "donations"

My business is in the process of being liquidated as a result of all the above

Plus, of course

- The never-ending battle to keep breathing while trying to keep this inspector or that inspector happy
- Running after the latest little *obersturmbahnfeuhrer* in the Town Planning Department
- Working at night in order to get the many Governmental and quasi-governmental "returns" out "by the 14th" or else
- Trying to abide by the rules and regulations of the Department of Manpower, of Community Development, of the Unemployment Benefit Fund, of the WCA, of the Industrial Council, and so on and so on

No wonder my poor baby brother committed suicide and that I suffered two heart attacks

To top it all, the smug statements by well-fed (and very well paid) Cabinet Ministers exhorting the public to "tighen your belt and spend less" while they fritter away our blood-stained taxes on their ridiculously expensive nothings, merely add to the frustration and despair

And what help was there from the Small Business Corporation when it was obvious that 30 family bread-winners were going to lose their jobs?

Gee whiz, fellows, the small businessman is the lifeblood of any country. And why does my bank manager no longer want to be my bank?

So, who wants to be in the business of manufacturing furniture?

SPENCER FINE

RAND DAILY MAIL, Saturday, October ..., 1984

Life's getting tougher as crunch hits SA

By DEBBIE REYNOLDS

A DURBAN businessman committed suicide yesterday — becoming just another statistic of the economic depression which is slowly strangling South Africa

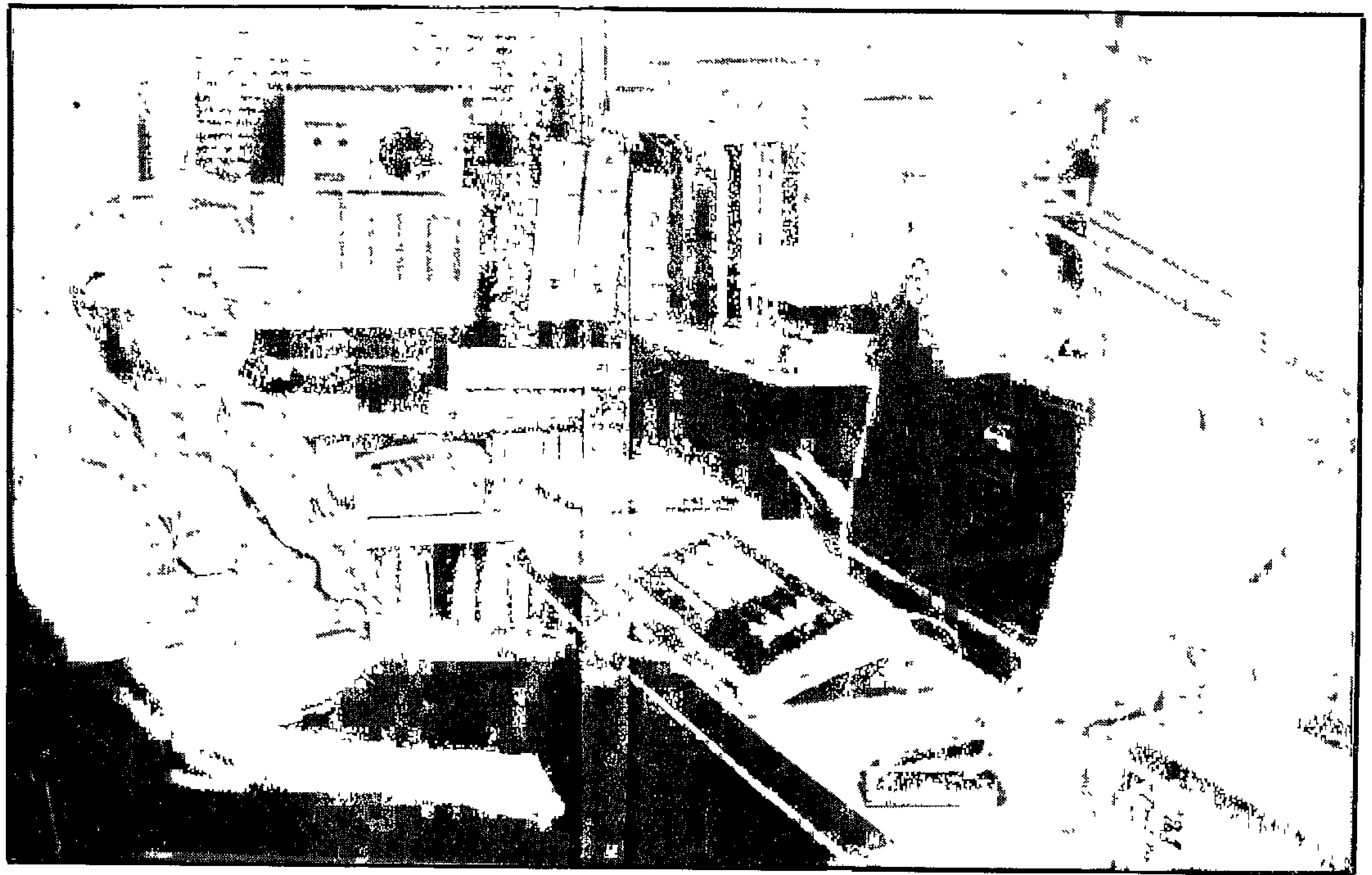
Mr Cecil Fine, 44 who lived in the luxury suburb of Umhlanga Rocks and owned a furniture company, killed himself allegedly because of business problems ... not ... first.

In July this year 263 companies went into final liquidation compared to 230 last year and 193 in 1982

What is disturbing is the record highs reached this year in the value of judgments against companies.

In July the judgment figure reached an all time high of R4 700 000 compared ... R1 900 000 in July last year — ... 150%

But ...



MR SPENCER FINE . . crushed by the coils of big business

Picture FAUL BOSMAN

Furniture plant moves to eZibeleni

188

By **ANDRE JORDAAN**
Business Editor

EAST LONDON — A factory which manufactures office furniture has been re-located at eZibeleni, near Queenstown, at a cost of R2 million

The factory, PM Office Furniture Industries, is wholly owned by Labour Intensive Industries Trust — abbreviated as Litet — a subsidiary of Anglo American and De Beers Litet was established four years ago to exploit business opportunities where jobs could be created at a relatively low capital cost per job.

The Eastern Cape director of Litet, Mr John Davies, said the factory had been based in the Northern Free State It had been reorganised and moved to eZibeleni to take advantage of Eastern Cape decentralisation concessions The managing director is Mr Derek Brandt

Mr Davies said the factory produced upholstered steel office chairs and it was also planned to produce desks The present work force is 100, but it is destined to increase to 150 with a production of 4 000 units a month

Litet provided share capital for the R2 million investment and also made use of loan funds from the Transkei Development Corporation, which owns the factory premises at eZibeleni

PM Furniture Industries is the sixth Litet project in the Border area, the most recent being the take-over of W J Palmer, an East London electro-plating and metal working concern

Mr Davies said Litet had invested almost R3 million in the projects, creating a total of 1 900 jobs — DDR

188

Profits tumble in furniture industry

MERVYN HARRIS

SHAREHOLDERS in listed furniture retailers have seen the profits of their companies tumble over the past year and, in several instances, turn into big losses.

Furniture has suffered more than most industries from government's austerity measures and the relaxing of hire purchase restrictions will come as welcome relief.

But the industry, and particularly those companies serving the black market, have a long haul before they come out of the woods. Township unrest and the boycotting of white stores show no sign of abating.

Real private consumption expenditure is expected to decline by almost 4% this year in sharp contrast with the 3,1% average annual growth recorded from 1980 to 1984.

This reflects the impact of declining real average incomes, high unemployment and the dramatic deterioration in consumer confidence in the past 12 months.

Furniture industry sales are expected to account for only 9% of total retail sales by December 1985, against 11,4% in the previous year. Projected into the first quarter of 1986, furniture sector sales as a contributor to total retail sales are expected to drop to 7,5% — the lowest on record.

It is a sign of the times that companies which have reported a sharp slump in earnings but are still in the black, are considered to have put in a "noteworthy performance".

This was the case with Afcol, which reported a 32% slump in earnings in the year to March from 117c to 79,9c a share. But the real crunch for the company will come in the current six months to September.

After reporting a good profit in the interim to September 1984, the group saw its second-half attributable earnings fall 60%. A similar fall in the current year could see the dividend down sharply from last year's 40c (59,3c).

Afcol shares have held up relatively well and were last traded at 780c, which puts them on a historic dividend yield of 5,1%. This compares with the average yield of 3,3% for the furniture sector.

The shares have oscillated in the last 12 months between a high of 940c and a low of 525c. With a dividend cut likely in the face of probable lower profits in the current year, the shares seem set to test its lower levels.

Ellerine was another company which showed a sharp decline in profitability in the six months to June and the dividend was cut by more than half to 9c a share.

At the current price of 720c, the shares are on a historic dividend yield of 4%. The shares have moved within a narrow band of 580c and 770c in the past 12 months.

Two of the worst-hit companies in the six months to June were W & A subsidiaries Bradlows and World Furnishers. They reported losses of R2,4m and R2,9m respectively, after previously being in the black, and no dividends were paid.

Bradlows shares have slumped to a 12-month low of 490c, while World, at 115c, is midway between its high and low of the past 12 months.

Cape-based Montays has not yet reported for the six months to June. But this well-run company was barely making profits in the half-year to December and the dividend was passed.

At 65c, the shares are near their low and almost half their high point in the last 12 months. Consumer shares are traditionally the last sector to benefit from an upswing in the economy. Shares in this sector could be regarded as recovery stocks at some later stage.

But with so many other imponderables presently affecting this sector, the short-to-medium-term outlook is not promising.

ARGUS 24/6/85 188

Many jobless as recession hits furniture trade

Argus Correspondent

DURBAN — More than one in three of the 29 000 workers in the furniture industry at the beginning of August last year have been adversely affected as their employers have either gone bust, retrenched or gone on to short time

And although a secrecy clause in the Manpower Act would not allow any breakdown of figures by province to be made public, Natal had been worst hit, said executive director of the Federation of Furniture Manufacturers Dr Winston Smith

The Western Cape was faring better than other regions, he added, mainly due to public service orders by and on behalf of Indian and coloured parliamentarians in the Houses of Delegates and Representatives

VOLUNTARY CLOSURE

Figures supplied by the various Industrial Councils for the Furniture Industry show that 33 of the 1 183 factories in Natal, the Western Cape and the Transvaal last August had gone into liquidation by the end of April this year

Nearly 1 392 workers lost their jobs as a result, while a further 821 were put out of work by the voluntary closure of another 105 plants

In addition, 2 386 employees were retrenched, resulting in a combined loss of 4 599 jobs, or almost 16 percent of the total

Another 5 641 men and women went onto short time in 156 factories as production fell 30 percent And short time in an industry which pays hourly for a normal 44-hour working week, could be as low as 20 hours, said Dr Smith

"We have about the same number of workers as the motor industry, but our statistics have lacked the impact because they are spread out over a great many more factories"

The relaxation since February of the repayment period on hire purchase agreements to 24 months had been of some benefit to manufacturers but the market for consmer durables would not improve until interest rates came down and the economy picked up, said Dr Smith

● Nine small furniture manufacturers in Natal are to be prosecuted for not registering with the Industrial Council

A spokesman for the council said that since the council agreement on wages and conditions was extended to a number of areas outside the three major urban centres in the province in December, 11 of the affected 45 companies had made it known they were opposed to complying with the the agreement — particularly as it affected wages

The manufacturers claimed they could not afford to pay the same wages as their competitors in Durban, Pietermaritzburg and Pinetown and the Minister of Trade and Industry had requested a Wage Board inquiry into the issue

A spokesman said the council was not enforcing the agreement on wages, but was insisting that manufacturers go along with other provisions of the council agreement until a decision was made by the Government probably by the end of July

Argus 1/12/84 (188)

SA industry up in arms over kitchen furniture imports

By TOM HOOD

LOW-PRICE kitchen furniture from European factories is pouring into South Africa, local manufacturers claim. They plan to ask the Board of Trade for protection to curb the imports.

They say about 123 containers packed with low-priced kitchen furniture are on the water and the R200-million-a-year business and many jobs are threatened

Several overseas manufacturers who have just woken up to the possibilities of this market are asking chambers of commerce and their local trade representatives to find agents for them

South Africa has become the dumping ground for European and British manufacturers of decorated particle board kitchen furniture, the local industry claims

Cost low enough

Leading figures in the local furniture business say that while foreign firms cannot sell their entire production near home, they are keeping their highly efficient mass-production factories operating at capacity by dumping their surplus production here.

The landed cost of the overseas units, which are sold in completely knocked down form, is low enough for them to be retailed profitably at little more than half the wholesale cost of local raw material to make similar units.

Westvaal, with a well-established factory and a reputation as maker of fine kitchen furniture, threw in the towel recently and left it to others to supply that market

It is not possible to determine exactly what quantities have been and are being imported They are not singled out in Customs statistics However, the warning signs are flashing

Firms that traditionally did not sell kitchen furniture are now importing it and selling it in large quantities Among them is a manufacturer of large household durables and a prominent exporter of SA pine furniture

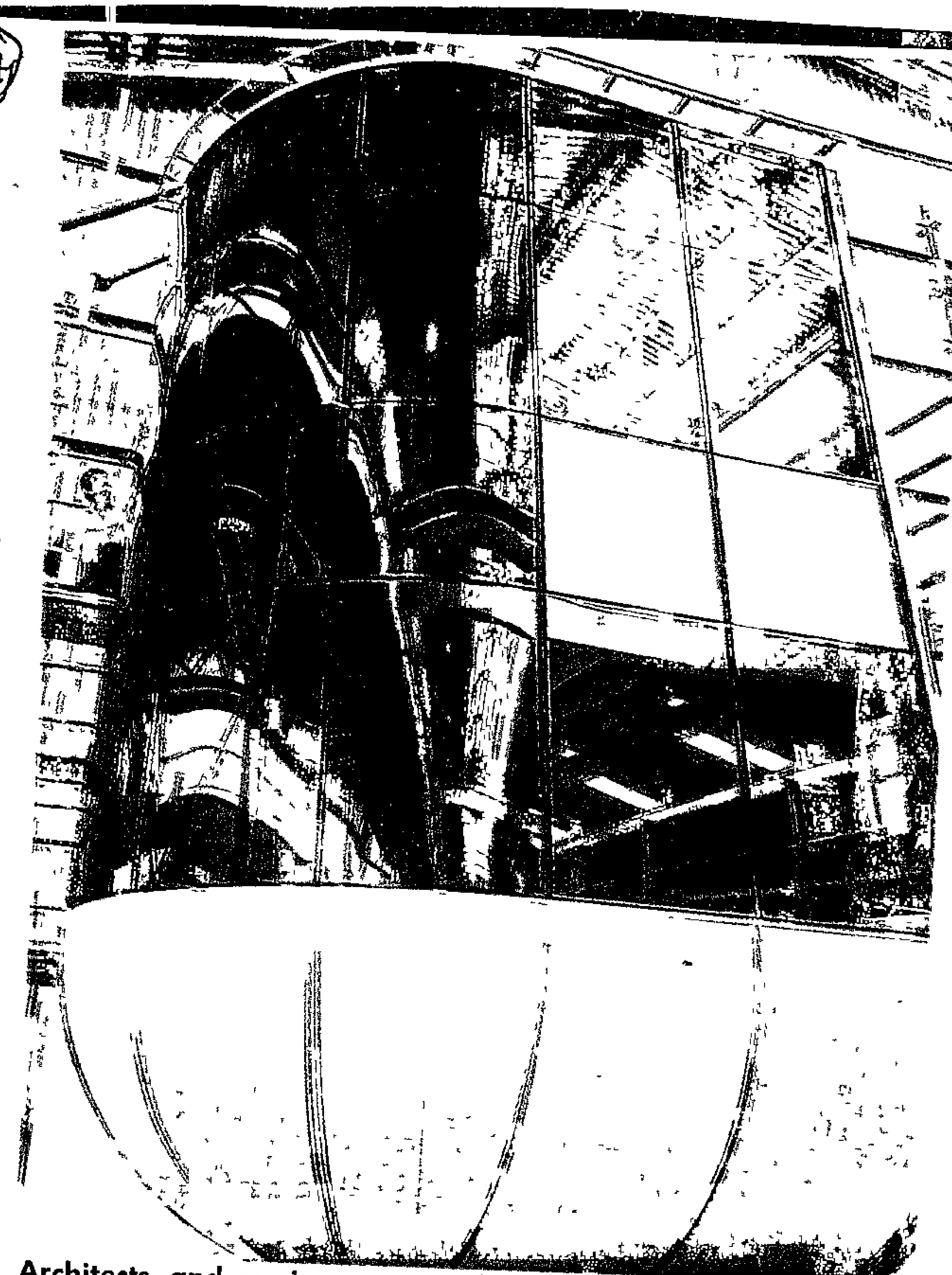
Imported, cut-rate kitchen furniture and cupboards are also available in large quantities from big supermarkets and it is claimed a number of companies have been founded to cater for the demand for this merchandise

Dr Winston Smith, executive director of the Transvaal Furniture and Upholstery Association, said his association was monitoring the situation closely

As soon as the industry had enough information to prove this furniture was being dumped, it would ask the Board of Trade for protection The industry was already hard hit by stringent hire-purchase restrictions

Theoretically the low value of the rand should make it uneconomic to import the furniture, but it was so cheap it could still be imported and sold profitably at cut-rate prices, he said

To Page 2



Architects and engineers saw this corner section of a sheer glass wall survive tests at wind speeds of tornado force at Cape Steel's Epping factory this week.

The glass wall, an exact replica of two and a half floors of a new bedroom block in a new hotel, was erected in South Africa's largest and most sophisticated rig for testing flush glazing installations.

It was tested for wind and rain resistance and safety because Cape Steel has won a R12-million contract for a 24-storey installation of flush glazing, the largest in the country, at Sol Kerzner's new 32-storey Johannesburg Sun Hotel.

Glass sections will be "glued" together without metal support. The curtain walling was adapted for South African conditions from technology imported from the United States.

(186)

Furniture imports

From Page 1

Mr Ron Hindmarch, a leading figure in the local industry, said there was little doubt that the overseas kitchen furniture was causing local manufacturers to cut back on production and lay off valuable men the industry had collectively paid millions of rands to train

Mr Hindmarch, executive director of Concord Industrial Holdings, which has Mr Cupboard, Concord Kitchens and Concord Cupboards in its stable, says he could not, because of the lack of official statistics, assess the share that had been captured by cheap overseas imports

He questioned the Government's motives in allowing these imports into the country without any protective tariffs being imposed on them

"It is creating great disillusionment among investors in the South African manufacturing sector."

Mr Stuart Wood, managing director of Laminate Industries, said the industry that applies finishes, such as melamine, to particle board and steel is correctly called the decorative industry

Of its annual turnover of about R150-million a year, about R30-million a year was absorbed by makers of kitchen furniture

"The imports have creamed about 10 percent off the top and that is serious Ours is a young industry and we need to sell every square metre we can We will throw our weight behind any effort to get protection for the industry."

Star 14/12/84 (188)

Importers of kitchen furniture answer back

The Star recently reported claims by local kitchen furniture manufacturers that overseas manufacturers were dumping products in South Africa at cut-rate prices with little or no protection for the local industry. This has created controversy among importers. DUNCAN COLLINGS spoke to leading importers.

When assessing imports of these products, they have to be divided into two distinct categories

The first is at the top end of the market where a very high quality product is being brought into South Africa The second is the importation of over-the-counter fully knocked down units for the do-it-yourselfer at very low cost

Mr Alan Hamilton, managing director of Top Drawer, which imports the up-market Siematic and Fabel Haft ranges from Germany, said that at the upper end of the market there is no question of products being imported and dumped at low prices

He said that in this sector the average price of units is 10 to 70 percent more than the best locally produced products.

He said that his company — which he claims is the biggest importer of top-quality units — imports and sells units to the value of about R3 million a year

Others in this sector, he says, probably import units to the same value and thus there is a total top-end imported market of R6 million, against the estimated total market in South Africa of all types of kitchen units of R200 million — or 3 percent.

He pointed out that there is a 25 percent duty on imported kitchen units and this combined with the fall of the rand against most major currencies has placed severe pressure on importers of kitchens and prices have risen accordingly this year

He also said that the claims that there are 123 containers of kitchen furniture on their way to South Africa is hardly believable as this would represent 700 average size kitchens.

FIVE LOADS

At the other end of the market, Mr Gernot Ehrlich whose company, Boxed Furniture, is a major importer of cheap kitchen units, said there is no question of these being dumped on the South African market

He said that his company imports about five container loads of kitchen units a month representing 68 full kitchens with an annual value of around R3 million

He estimates that not more than another R1 million cheap units are imported a year Thus cheap imports represent no more than four percent of the local market

A FAIR PROFIT

He added that he could sell far more in South Africa but is limited by availability of the units from his suppliers who are working at full capacity and thus are certainly not dumping their products here

His products are sold in fully-knocked-down form by specialist DIY companies in South Africa at R599 per basic kitchen set-up This is considerably lower in price than locally manufactured products "but still gives a fair profit"

He also pointed to the 25 percent import duty plus cost of shipping and the falling rand, but added that even on this basis, chiefly because of their long production runs, he can import products at a competitive price

Thus the top and bottom end imports combined are estimated at around 7 percent of the market and importers claim that this cannot be construed as a threat to local manufacturers

Furniture trade lays off 4 000

STAR
17/12/84
188

The furniture trade has retrenched about 4 000 people as near-empty showrooms bear witness to one of the bleakest Christmas periods on record.

Spokesmen say the recession has hit the trade as hard, if not harder, than the motor industry

The retrenchments represent about 10 percent of employees in the retail furniture trade

Industry experts predict that while there were about 1 400 manufacturers three months ago, the number will shrink to nearly 800 if present trends continue

"You can sum it up by saying that it is dead quiet in the morning and just dead in the afternoon," said Mr Arthur Solomon, general manager (furniture and appliances) for OK Bazaars

By Harvey Thomas

The executive chairman of another major retail chain, who wishes to be anonymous, said "We have had to retrench 700 people already I estimate that, nationwide, about 4 000 people have been given their marching orders"

Mr Sid Ellerine, an executive with another major group, added "As bad as things are now, we expect them to get worse in January, February and March"

The furniture men say that the recession has hit so hard that many well-established traders are going into liquidation, and others are looking around desperately for potential purchasers of their businesses

"About 80 percent of the trade is controlled by the major groups I believe that that figure will rise significantly in the coming months," said a spokesman

"The small guys are fighting for survival now I think it will be a bloodbath in the traditionally quiet times of the early new year"

Mr Solomon said that there were a number of reasons for the drop in demand, which he estimates at 30 percent.

- The increase in GST
- The higher deposits now required on all "big ticket" items
- The shorter repayment periods

"The fact is that the Government has brought about an attitude in would-be buyers where they are psychologically put off spending," said Mr Solomon

He added that a good example was video recorders The deposit required used to be 10 percent It is now 30 percent Repayment was allowed over 24 months It is now 12 months

"The high interest rates are also discouraging customers," said Mr Solomon

4 000 furniture workers fired

Sowetan 21/12/84 188

By JOSHUA RABOROKO

THE South African furniture industry has retrenched about 4 000 workers as empty showrooms bear testimony to one of the gloomiest Christmas periods on record.

This figure, obtained from various sources in the furniture and appliances trade, represents about 10 percent of people employed in the retail furniture industry

Furniture experts have also predicted that, whereas there were about 1 400 manufacturers three months ago or so, this number will squeeze to about 800 if present trends continue.

Mr Sid Ellerine, an executive of a major furniture group, said that as bad as things were now it was expected that they will get worse in January, February and March next year.

Although his company did not retrench workers, the furniture industry had been "very heavily affected", resulting in about 4 000 losing their jobs.

He mentioned that things might improve during the second half of next year. He attributed the slackness in the business to drought and the recession.

An executive chairman of another major retail chain who prefers to remain anonymous, said that they have had to retrench 700 people and predicted that more people will be given "marching orders" next year

Mr Arthur Solomon, furniture and appliances general manager of OK Bazaar, said the situation could be summed up by saying that "it is dead quiet in the morning and just dead in the afternoon".

Sapa-Reuter.

Recession hammers furniture industry

By DIANNA GAMES

Rdm 18/1/85 (188)

THE furniture industry in South Africa has been hard hit by the present economic recession with several outlets around the country being closed, and December credit purchases down to half.

Mr S F Redelinghuys, executive director of the Furniture Traders' Association — which represents 92% of all the country's outlets — said. "You can be assured we are taking the necessary action to remedy the situation as fast as we can.

"As much as the industry doesn't want to go to the Government for assistance every time we are in a difficult situation like this one, they are unfortunately involved and we have to look to them," he said.

He said the high cost of money and "unreasonable" instalment sale agreement regulations such as increased deposits and reduced repayment periods had had a "terrific impact" on business.

He said December had shown a drop of 50% in hire purchase sales, while cash sales had only risen by 22%.

He said the drop in HP sales meant a drop in income from finance charges. "With a turnover of R2,4-billion in 1984, that amounts to a considerable sum."

The uncertainty of the market could make any long-term planning and budgeting in 1985 a "waste of time", he said.

"We are worried that both the traders and consumers will lose confidence in the furniture market and I urge them not to," he said.

Mr I Sturrock, managing director of Russells which has 150 outlets countrywide, said: "All our questionable outlets are under review. We have closed one and have one or two others lined up."

He said the recession had "quite dramatically" affected the industry which was in its worst situation since the Second World War.

A spokesman for Bradlows said business was substantially down on last year and he did not envisage any improvement within the next six months.

Mr I Cohen, managing director of Amalgamated Retail which owns six furniture organisations countrywide, including Lubners and Geen and Richards, said they would also be looking at closing non-viable outlets as business was bad.

AFCOL LAY-OFF PLANS

by PRISCILLA WHYTE

AFCOL, a major furniture manufacturer, is working on a lay-off and short-time plan that could affect 10% of its 9 000 labour force.

"The social implications of unemployment are horrendous, but I doubt that any furniture manufacturer is now running at a profit," says Mr Jack Chaskelson, the chief executive

There were 1 400 furniture manufacturers "and already 100 have dropped out".

He estimates there are 35 000 people employed in the industry and substantial lay-offs are on the cards.

Afcol volumes are down 20% to 25% on this time last year but cost inputs have jumped by 15% and overheads by 12%

He says the furniture industry will only be clear of this, "rough passage with an upturn from a low base by the the last quarter of 1985".

Retailers of furniture and durable goods are also suffering

Over the past month 1 200 staff have been laid off by OK Bazaars.

Mr Arthur Solomon, general manager of furniture and appliances at OK, says furniture and appliance sales were 25% down in January compared with the same month last year.

He says car prices have increased by 100% in the past five years while those of major appliances have risen by only 20% to 30%

He feels once the stock in hand has been sold, the cost structure of the retailer will necessitate a 15% to 20% price hike in appliances later in the year.

Mr Solomon says numerous representations have been made to the Government on the need to ease the stringent hire purchase regulations introduced in August.

"Although we have received a sympathetic hearing, nothing has been done to improve our position," he says.

Mr Ron Cohen, the executive chairman of the retailer, Amrel, says January sales were disastrous Sales dropped by 30% compared with the same month last year

"Astronomical losses were recorded in the bigger quoted companies in January and even clothing sales were disappointing"

Unemployment figures are reaching record levels and, "in the last few months by not replacing staff, the Amrel head-count has dropped by 200".

He says that shoes ordered for delivery in March/April had arrived in January because manufacturers feared cancellations.

RDM 18/2/85

Union hits at furniture imports during slump

188 Star 19/4/85

By Sheryl Raine

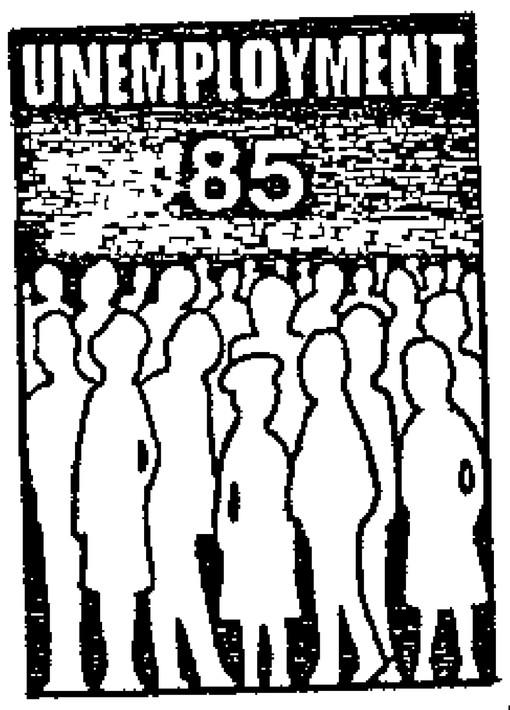
The National Union of Furniture and Allied Workers of South Africa has called for a halt to all unnecessary imports of furniture at a time when 4 000 of its members are unemployed because of the recession

In a hard-hitting statement the union says it is deeply concerned at the amount of furniture being imported into South Africa In the first nine months of last year R36 million worth of furniture was imported

The union believes even greater volumes of imports will be dumped on the South African market this year despite the low value of the rand

"At the present time some 4 000 of our members are unemployed and, if the volume of imports is translated into local production, it could provide employment for at least 1 500 of our members in about 70 small factories," the statement said

Mr S Redelinghuys, executive director of the Furniture Traders' Association said his organisation sympathised with emloyees who were out of work and fully understood the plight of unemployed union members



He said the unemployment figure for people who had been made redundant in the retail sector of the furniture industry had now topped 10 700

However, he said the percentage of furniture being imported was infinitesimal compared to the R2,6 billion annual turnover in the trade

Mr Redelinghuys added that his organisation would discourage any curbs on the free enterprise system such as import permits

The union said it was confronted daily by out-of-work members who were losing their homes, having their household goods repossessed and were facing starvation because of what it claimed was the irresponsible attitude of the local business community

"We are not prepared to let this matter rest and while we appeal to the government to stop all unnecessary imports of furniture by all the means at their disposal, we on our own will compile a list of those retailers who are stockists of that furniture which is taking the bread out of our mouths and appeal to our fellow workers in all industries to boycott those businesses totally."

Mr Redlinghuys believed such boycotts would be counter-productive Both furniture retailers and manufacturers had to co-exist

RDM 19/4/85

Union to urge boycott

188

By STEVEN FRIEDMAN
Labour Correspondent

AN ESTABLISHED furniture workers' union says it will urge workers in all industries to boycott stores which sell foreign-made furniture

The union, the National Union of Furniture and Allied Workers, charges that "large volumes" of furniture are being imported into the country and that this is depriving at least 1 500 workers of jobs

It says that 4 000 of its members are out of work and "facing starvation due to the irresponsible attitude of the local business community" and urges the Government to curb furniture imports

The union says it is drawing up a list of retailers who stock foreign furniture "which is taking the bread out of our mouths" as a first step towards calling a boycott

NUFAW has members in all four provinces and a boycott could affect furniture stores throughout the country

In a statement issued by its general secretary, Mr Mohan Lalaram, the union says it has learned that R36m worth of furniture was imported in the first nine months of last year

Furniture store boycott threat

188

NM 20/4/85

Labour Reporter

THE National Union of Furniture and Allied Workers yesterday called on the Government to curb furniture imports and announced plans for a boycott of stores which sell foreign-made furniture

The union claims that large quantities of furniture are being imported into the country and this was depriving at least 1 500 workers of jobs In recent months, about 4 000 workers in the furniture industry were retrenched because of the recession

Mr Mohan Lalaram, general secretary of the NUFAW, said yesterday that the union had learned that R36 million worth of furniture was imported in the first nine months of last year

'We believe that even greater volumes will be dumped here this year in spite of the low value of the rand,' he said

If the volume of imports were translated into local production, it could provide work for at least 1 500 workers in about 70 small factories, he said

The union said it was drawing up a list of retailers who stock foreign furniture as a first step towards calling a boycott

Union wants ban on imported furniture

ARGUS 23/4/85

Argus Correspondent

THE National Union of Furniture and Allied Workers of South Africa, with 4 000 of its members unemployed owing to the economic recession, has called for a halt to all unnecessary imports of furniture

The union says it is deeply concerned at the amount of furniture being imported into South Africa In the first nine months of last year R36-million worth of furniture was brought into the country

The union believes even greater volumes of imports will be dumped on the South African market this year in spite of the low value of the rand

"At the present time some 4000 of our members are unemployed and, if the volume of imports is translated into local production, it could provide employment for at least 1500 of our members in about 70 small factories," the union said.

Mr S Redlinghuys, executive director of the Furniture Traders Association, said his organisation sympathised with employees who were out of work and fully understood the plight of unemployed union members The unemployment figure for people who had been made redundant in the retail sector of the furniture industry now topped 10700

However, the percentage of furniture being imported was infinitesimal compared to the R2,6-billion annual turnover in the trade He doubted that any dumping of household furniture had taken place as dumping had largely been confined to appliances

The union has complained that furniture may be imported free of permits at a time when the industry is suffering in the recession.

Mr Redlinghuys said that his organisation would discourage any curbs on the free enterprise system such as import permits

The union said it was confronted daily by out of work members who were losing their homes, having their household goods repossessed and were facing starvation due to what it claimed was the irresponsible attitude of the local business community

"We are not prepared to let this matter rest and while we appeal to the government to stop all unnecessary imorts of furniture by all the means at their disposal," the union said.

20 Business Day

ROM 24/4/85

Union with 4 000 jobless calls for halt in needless furniture imports

188

CAPE TOWN. — The National Union of Furniture and Allied Workers of South Africa has called for a halt to all unnecessary imports of furniture.

The union has 4 000 unemployed members

In the first nine months of last year R36-million worth of furniture was brought into the country.

The union believes there will be an even greater volume of imports this year in spite of the low value of the rand.

"At the present some 4 000 of our members are unemployed and, if the volume of imports is translated into local production, it could provide employment for at least 1 500 of our members in about 70 small factories," the union said

Mr S Redelinghuys, executive director of the Furniture Traders' Association, said his organisation sympathised with those out of work and fully understood the plight of unemployed union members.

The redundancy figure in the retail sector of the furniture industry now topped 10 700

However, the percentage of furniture being imported was infinitesimal compared to the R2,6-billion annual turnover in the trade

Mr Redelinghuys said he doubted that any "dumping" of household furniture had taken place as this practice had largely been confined to appliances.

The union has complained that furniture may be imported free of permits at a time when the industry is suffering the effects of the recession.

Mr Redelinghuys said his organisation would discourage any curbs on the free enterprise system such as import permits

The union said it was confronted daily by unemployed members who were losing their homes, having their household goods repossessed and were facing starvation due to the "irresponsible attitude of the local business community"

"We are not prepared to let this matter rest and we appeal to the Government to stop all unnecessary imports of furniture by all the means at their disposal," the union said

CAPE TIMES 2/5/85

Afcol profits decline 32%

JOHANNESBURG — Associated Furniture Companies (Afcol) had a 32 percent decline in net profits in the year to March, the preliminary profit statement shows

"The year's trading should be seen against the background of buoyant sales in the April to July period, but a significant deterioration thereafter as a result of the severe hire-purchase restrictions," the directors say

"Highly competitive trading conditions adversely affected margins and sales mix

"The furniture and building industries are historically the most severely affected in any major economic downturn Containing the decline in earnings to 32 percent for the full year is, therefore, considered to be a noteworthy performance"

Attributable earnings totalled R18,5m (R27,1m), equivalent to earnings a share of 80c (117,4c)

The group has declared a final dividend of 12,5c a share (26,3c), making total distribution 40c (59,3c)

Turnover increased 10 percent to R295,3m and operating profit was R24.6m (R28,3m)

The directors state that the contraction in demand for furniture and related products is expected to continue through the best part of this year

Earnings for the six-month period to September were expected to be well down

Group sales and earnings were forecast to show improvement in the second half, but it was not expected that attributable earnings for the year as a whole would match those of the previous year — Sapa

Workers locked in talks as carpet factory strike goes on

NM 7/5/85 (188)

Labour Reporter

THE strike by about 800 workers at a carpet factory in Reunion near Isipingo continued yesterday as management and representatives of the workers were locked in negotiations to settle a dispute over pay increases

Mr Seton Thompson, a spokesman for the Romatex group yesterday confirmed workers at the Carpet Manufacturing company and Crossley Carpets factory complex at Reunion downed tools on Friday

'The position is unchanged Talks are continuing with worker representatives,' he said

The company had stated policies of one pay increase a year, the most recent of which was scheduled for February 1985

He said in August last year the workers had asked whether this increase could not be brought forward and both Crossley Carpets and Carpet Manufacturing company agreed to pay an across-the-board increase in October, 1984, and to give a merit increase in April this year

'Because of the pay component paid five months ahead of schedule, the benefit to workers is considerably larger than the company had proposed and the cost to the company significantly higher

'A group of workers claiming to represent the majority of the workforce has stated dissatisfaction with this rate of increase and discussions are taking place No union is formally involved in the dispute, he added

Representatives of the workers could not be reached for comment yesterday

Meanwhile, a Howick rubber company, BTR Sarmcol, yesterday reported a steady stream of applications for employment following the dismissal of 970 workers who went on strike last week over a union recognition agreement dispute

Mr R J Sampson the company's administrative director, said applications were being invited from all interested persons including the workers who were dismissed last Friday 'The company is confident that normal operations will be resumed shortly,' he added

Strike goes on in spite of offer

NM 8/5/85

Labour Reporter

CARPET factory workers at Reunion, near Isipingo, continued their strike yesterday in spite of an offer by the management of a pay rise in October

Eight hundred workers at Romatex group's Crossley Carpets and Carpet Manufacturing Company downed tools on Friday in support of a demand for a pay increase

It was still not clear yesterday what percentage increase was being sought after spokesmen for the workers could not be reached for comment

Romatex group spokesman Seton Thompson yesterday confirmed that management had made an offer in terms of which employees would be given a pay increase in October, the amount of which was for negotiation between management and worker representatives

'The workers were asked to indicate their acceptance of this offer by 10 a m yesterday, but have asked for further negotiations which are in progress,' he added

Priority

Meanwhile the 970 sacked workers at Howick rubber company BTR Sarmcol, are planning to take legal action against the company contesting their dismissal, according to Mr Geoff Schreiner, branch secretary of the Fosatu-affiliated Metal and Allied Workers' Union

In a statement yesterday, Mr John Sampson, the company's administrative director, said that manufacturing operations resumed yesterday on a limited scale with priority given to urgent orders

'The company has been pleased and surprised at the large number of applications for employment which have been pouring in throughout the day The personnel department have been hard pressed to handle them all

'The company continues to remind the workers who were dismissed last week for strike action that they should get their applications in early so that they could be given priority,' he said

Pay increase ends carpet firm's strike

188

NM 9/5/85

Labour Reporter

THE three-day strike by 800 carpet factory workers at Reunion, near Isipingo, ended yesterday when they decided to accept a company offer of a pay increase in October

Romatex group spokesman Seton Thompson confirmed yesterday that all the strikers from Crossley Carpets and Carpet Manufacturing Company returned to work at the first shift

'On Tuesday the management offered to give the workers a pay rise in October on condition that they ended their strike and returned to work They have obviously given the matter serious thought overnight and were back at work yesterday morning,' he said.

Meanwhile, busloads of sacked workers from the Howick rubber company, BTR Sarmcol, arrived at the factory yesterday morning to collect their outstanding weekly wages

Mr Geoff Schreiner, branch secretary of the Fosatu-affiliated Metal and Allied Workers' Union, said the union hired buses to transport workers to the factory to collect their pay Although they collected their wages, they refused to accept their dismissals, which were unlawful, he said

The workers reaffirmed their decision at a meeting yesterday to continue striking until the company agreed to their demands for a recognition agreement giving them basic trade union rights

At a meeting of the Impopomeni community on Tuesday night, about 2 000 local residents adopted resolutions to support the Sarmcol workers and boycott white shops in Howick until steps were taken by the town's mayor and white councillors to pressurise Sarmcol management to extend basic union rights for its workers

Notices threatening workers living in the hostel with eviction on May 10 have been withdrawn, he said

In a statement yesterday, Mr John Sampson, the company's administrative director, confirmed there was a 'lengthy payout' of the 970 dismissed workers

'With his pay each man was given an application form for re-employment and it is hoped that many of the company's dismissed employees will apply

'At the payout it was disturbing to see shop stewards removing application forms from every worker as he left'

Last night Mr Schreiner denied the allegations

'SEE YOU IN COURT'

26/5/85 188 C Press

By MARTIN NTSOELENGOE

AN INDUSTRIAL court case is looming between the Paper, Wood and Allied Workers' Union and C & C Radio Cabinets in Brits

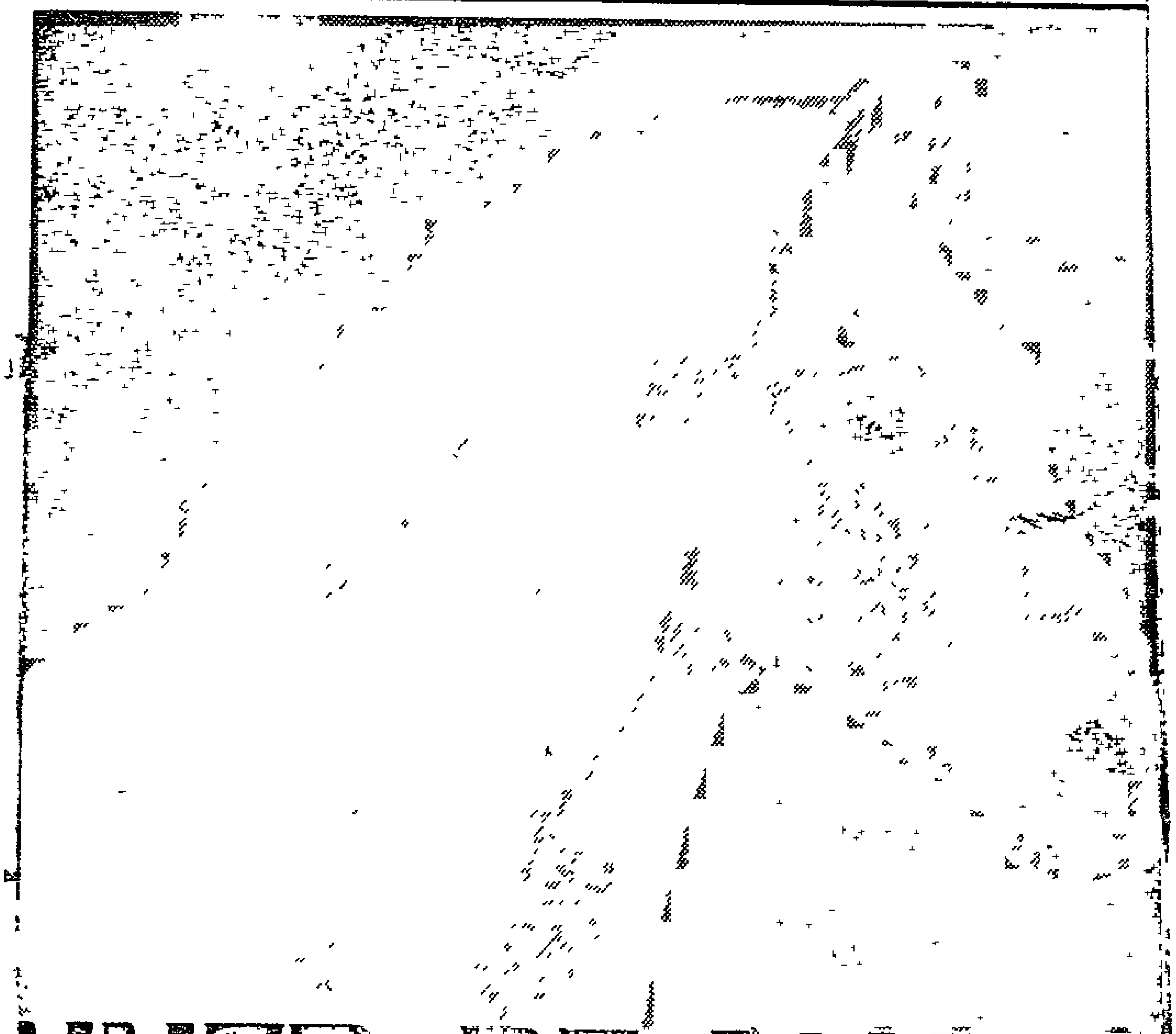
The union issued this warning after six of its members were retrenched on an hour's notice

Other workers ~~told~~ they will be retrenched in the same way

A Pwawu spokesman said the retrenched six have worked for the company for 14 years And he said management had never discussed retrenchment with the workers of Pwawu – a Fosatu affiliate

Management was also accused of retrenching workers according to their ages, or employers' feelings about them.

Workers feel management is victimising them – over the years the company has refused to negotiate with a union of the workers' choice, but favours closed-shop furniture unions.



Bad debts, unrest hit furniture industry

by
Joao Santa Rita

188

Star 3/8/85

With South Africans already going deeper into debt because of the economic crisis, the current political unrest has dealt another blow to some struggling sectors of the economy

A spokesman for the Furniture Traders' Association said the number of bad debts had increased dramatically because of the economic crisis

And, with certain areas of the country ravaged by violent political unrest, it was impossible to repossess goods

"Because of the unrest in the townships there has been a complete break in communications between sellers and buyers," the spokesman said

"You can't go into certain areas to find out what is happening, let alone to collect furniture from bad debts "

The spokesman pointed out there was a marked difference between repossessing vehicles and furniture

"With cars, the banks just collect the keys and drive off In the furniture business you have to go with a truck, get the house opened and load up "

A leading finance house, Wesbank, estimates the number of car repossessions has risen between 25 and 30 percent in one year

"If the economy does not improve repossessions will increase," a spokesman said

The Furniture Traders' Association agrees

"The number of bad accounts has worsened," said a spokesman

"There is no hope in the immediate future with these scandalous interest rates "

On the brighter side, however, good accounts were being settled faster because of the high interest rates Those who could pay, wanted to settle their accounts faster in order to avoid paying interest, he said

Ellerine hit by unrest and slump in consumer spending

STH 12/8/85

188

Financial Staff

Furniture retailer, Ellerine was hard hit by the slump in consumer spending and unrest throughout South Africa in the six months to June 30 and reports earnings a share for the period 39,5 percent down at 38 8c a share against 64 1c last time

Interim dividend is slashed to 9c from 20c The immediate outlook remains uncertain with no upturn until the political and economic situation improves

□□□

In marked contrast to the results being reported by the short-term insurers life company The Prudential had a very good six months to June 30 with earnings of R4,0 million (R2 7 million)

Interim dividend is raised to 7,5c from 6,5c

Premium income continues to perform well with annual premiums at R63 0 million (R53,7 million) and single premiums at R20,0 million (R30,7 million)

□□□

GFSA group companies Witwatersrand Deep New Wits Selected Mining Holdings Vogels and Gold Fields Property Company, have announced mixed results for the year to June 30

Gold Fields Property Company had an after-tax profit of R4,9 million, compared with R6 9 million the previous year, earnings per share being 48c (67c) Dividend for the year is 24c (23c)

Wits Deep had an after-tax profit in the year of R2,7 million (R2 4 million), with earnings per share of 167c (148c) The dividend is 85c (75c)

New Wits had an attributable profit of R12 6 million (R9,9 million) with an EPS of 109c (85c) Dividend is 70c (50c)

Sel Min had an after-tax profit of R941 000 (R637 000) The EPS is 94c (64c) and dividend 55c (46c)

Vogels in the six months to June had an after-tax profit of R2,8 million, compared with R1,3 million, equivalent to EPS of 15c (7c)

The dividend is 10c (5c)

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Export & Import

N Mercury 26/5/85

With the increased demand for top quality office furnitue so began Chartwell's expansion Producing superior oak, mahogany and Imbuia items of a sophisticated nature, their popularity increased To outline their current marketing policies and diversification, furniture will be leaving within the next 2 weeks or so for exhibition in an overseas office furniture trade fair

"Even before the drastic drop in the value of the Rand, South African office furniture was extremely competitive in price," say's Managing Director Rob McKenzie, and "one of the reasons for this is that manufacturing office furniture is a very labour intensive industry In fact at least 35% of the cost of producing a desk, for instance, is in the finishing and we maintain that South African executive office furnishing can most certainly hold its own in the overseas market

Concentrating on the export of Imbuia wood, Rob explains that, "Imbuia is imported from Brazil and with most of South Africa's wood either Pine or protected indigenous wood, we must look overseas for our wood South Africa actually imports 90% of Brazillian Imbuia Mahogany will also be used in our export, but we feel that because of the lack of Imbuia on the overseas market, it will be favourably and more widely accepted than other conventional woods

Lep International

With the value of today's Rand the cost of imports has skyrocketed

The cost of landing imported goods at excellent rates becomes an important factor

Not only do Lep International offer excellent rates, but their experience and first class service has been invaluable

Manufacture

Liaquat Khan, Director, responsible for the manufacturing side of Chartwell takes up the story "In the early 70's we began with a small staff of 12 men, all individual craftsmen who handmade the first few pieces of solid Yugoslavian beech furniture In those days we were small fry and worked in a shabby 200 square metre pre-fabricated building, where we were so cramped that production would come to a halt if the factory had just 10 desks in stock !"

"To cope with the demands and increased made to larger premises and today they have over 2 000 square metres of factory excluding the timber yard

"Here we season the imported hardwood and space is of the utmost necessity — some of the timber stands out in the yard for anything up to 18 months before it can be used "

Prestigious Clientele

Not only have Chartwell furnished many city offices, but they also have the distincton of furnishing offices for the Heads of State in the Transkei and Swaziland Additionally they have supplied Suites for King Goodwill at Ulundi and furnished the House of Delegates and House of Representatives Offices in Cape Town

Sales manager Ted Quinn enthuses 'one of the most exciting and interesting offshoots from our business was the luncheon Rob and I enjoyed with King Goodwill, which was a very grand and prestigious occasion "

More oak furnishing for the Markes Buildings in Cape Town, Hendrik Vervoed and The State President's Tuinhuis indicate Chartwell's wide appeal within the highest echelons of governing bodies Rob continues 'We supplied office furniture for the South African embassy in Maputo and also The American Embassies in Swaziland and Malawi, the latter being quite a feat because it was during the days of the Rhodesian bush war and overland transportation by truck was not possible Subsequently everything had to be flown out "

Chartwell have moved to their own home

From humble beginnings, Chartwell now occupy their own premises, an extensive modern facade constructed expecially for them in Moore Road Not far from the city, the building is lavish, set back from the road to negate traffic noise and with a spacious front parking area and underground parking for 29 cars

A large and airy showroom exudes a peaceful atmosphere with piped background music and the pleasant all pervasive aroma of oak wood Polished sparkling furniture is scattered strategically throughout the showroom and without being cramped offers buyers the opportunity to view the whole range of Chartwell's products The environment itself is ideal for browsing, and the selection of furniture under expert quidance amidst a tranquil setting can be nothing but pleasurable and hassle free

Looking through the glazed windows, masquerading as walls, one is immediately attracted by the profundity of plants in bricked flower troughs circumferencing two oblong patios, large enough for entertaining and braais, says Rob

Moving away from the more general office furniture, separate rooms have been allocated as set piece showrooms An elegant boardroom resplendant with matching accessories and delightfully co-ordinated room environment is completely unseen and therefore will not detract from the concentration of boardroom activities but by utilising empty spaces is there for socialising after meetings or indeed for general customer entertaining

Entering into the Managing Director's office one is faced by a hexagonal conference table for the more casual meetings, with straight back chairs upholstered in royal blue The large M D's master desk dominates the scene and a reception area with corner table is tastefully toned in with the dusty pink lounge chairs

Moving towards the rear of the premises the despatch area is under cover and adequate Stairs lead from here up to the stockroom but customers will more often use the front stairs from the showroom as access to this area Here there is enough space to hold a vast quantity of stock A round sample table will be installed shortly, providing customers with the chance to view a profundity of colour swatches so that all colour co-ordinations can be on the spot, for such items as curtain fabrics, upholstery fabrics, window drapes, carpet samples etc

Overall concern

Rob McKenzie has a very high regard for his staff "who have been a tremendous asset to the business, their efficiency and reliability throughout the years have made us what we are today "

With a human outlook indicative of a concern for clients, suppliers and staff, Chartwell look all set for a lucrative and rewarding future based at their new exclusive premises

setting of solid oak The approach is stylised and geared to meet the requirements of busy office executives nonetheless looking for a touch of class

A main feature are the sliding oak doors leading into a concealed oak bar, which will soon be decorated in 'ship style' complete with brass fittings and plush decor for Chartwell's entertainment functions More than this however, it is an example for the modern executive who is planning an office and finds there is space to spare — hidden by the oak panels the luxurious bar

23 000 jobs lost in steel

7/1/86 CAPE TIMES

Own Correspondent

JOHANNESBURG — More than 23 000 jobs were lost in the recession-hit steel and engineering industry last year, according to the annual review of the Steel and Engineering Industries Federation (Seifsa)

Seifsa also said employment in the industry has dropped by more than 100 000 since the recession began in 1981

And, in the federation's outlook for 1986, Seifsa does "not expect any meaningful turnaround in its overall economic performance until 1986 at the earliest"

The review says the recession in all manufacturing sectors, other than in the export-supported base metals sector, was further aggravated by the "current conflict situation in South Africa

"Employment statistics reflect a drop of over six percent in the scheduled labour force, equivalent to a loss of some 23 000 jobs during calendar year 1985"

From an employment peak of 454 000 in 1981, the estimate of employees in the metal industries was now 352 000

Cape Times 8/1/86

20pc increase in bread price likely

Own Correspondent

JOHANNESBURG — The cost of bread may rise by at least 20 per cent this year following the increase in the price of fuel and the shortfall in the wheatcrop

The general manager of the Wheat Board, Mr Dennis van Aarde, yesterday said the government's R200-million subsidy could not make up for the increase in the cost of transport

Sources in the wheat industry say an overall increase of 20 percent is a conservative estimate

Mr Van Aarde said it was unlikely the government would be able to increase the subsidy so the increase would be passed on to the consumer

"Further increases in the cost of bread are also likely if the government accepts the finding of the Davin Commission of Inquiry which recommends that the bread subsidy be phased out"

There were two bread price increases last year, each of 5c a loaf

Threat to act over payday delays

STAR 13/1/86

(186)

By Tembi Mbobo

The Community Advice Bureau (CAB) in Pietersburg has threatened to take legal action against Table Top, a major frozen food company, for failing to pay an employee, Mr Makhado Ramabulana, his R874 salary.

Mr Thabo Montjane of the CAB said Mr Ramabulana (32) of Sendeza in Vendaland was employed as a merchandiser at Thohoyandou's OK Bazaars from June 5 until October 15 last year.

"He was to be paid R85 a week with a R10 travel subsidy After the first week he was not paid but was told it was company policy to withhold the first salary"

The company's group manpower manager, Mr C Jonker, said it was the first time he had heard of Mr Ramabulana's plight

"All the same, I do not think that something like that could have happened," he said, promising to investigate.

IRREGULAR

Mr Montjane said the payments made by Mr Ramubulana's senior, known only as "Dave", were irregular and sometimes he would go two weeks without pay.

According to Mr Ramabulana, "Dave" told him to go to the Pietersburg office on October 19 to collect his money, a distance of about 200 km

"Dave" failed to turn up to that and a subsequent apointment.

The CAB then contacted the company's personnel manager, Mr Charles Minnaar, at the Pretoria headquarters of Table Top, who promised to investigate the matter.

Mr Montjane said they spoke to Mr Minnaar on October 31 and had not heard from him since.

"Since then numerous attempts to obtain Mr Ramabulana's outstanding salary have proved fruitless "Dave" claimed the money was with Table Top while Mr Minnaar said the money had been given to "Dave" long ago

Cape Times 18/1/86

Bakery's cut may mean 'war'

Staff Reporter

A BREAD price-war may be about to break in Cape Town after a bakery set the price of its new "crushed wheat government loaf" at 47c — three cents less than brown loaves sold elsewhere

Bakoven launched the loaf, which will be sold only in the Cape, on Tuesday, and expected a "big" response, the owner of the bakery, Mr Des Fisher, said yesterday

Mr Fisher predicted that the loaf would sell "very well" but was not sure that other bakeries would cut their prices.

"This is not a sales gimmick and we did this purely for the sake of our customers," he said.

The administrative manager of Duens Bread and the Cadora Bakery, which carries the Bokomo range, Mr F J Versveld, said his company had no immediate intention of cutting prices

"Our products have their own advantages," he said.

'We will do likewise'

But he said Bakoven had dropped its price only recently and that the situation would be monitored.

A spokesman for Milly's Mister Crusty said his company would have to consider "all aspects" of the new loaf before making any decisions.

"If possible, we will do likewise and cut our prices, but production costs are going up"

Spokesmen for other bakeries in the Peninsula said price cuts would be difficult as the price of flour was soon to rise and labour was increasingly expensive

They all said that, despite this, if large bakeries lowered their prices, they may be forced to do the same.

Senior buyer for Pick 'n Pay, Mr A Baxter, said that supermarkets would not be able to lower their bread prices in response to the latest cut

"Supermarket bakeries do not have a licence to bake government bread," he said. "Other bakeries with this licence are free to alter the cost of government loaves"

188 SOWETAN

More workers lose jobs

MORE than 150 workers employed by Brado Furniture Manufacturers in Kempton Park, lost their jobs when factories re-opened this month because the company has been put under provisional liquidation.

This was confirmed yesterday by the company's manager, Mr Gram Theobald, who said the workers were paid their bonuses and other benefits before the factories closed for the annual holiday last year

Several other smaller factories in the Witwatersrand-Pretoria and Vereeniging (PWV) area also retrenched workers shortly before factories closed, trade unions have confirmed

Several more factories are due to close within the next few months as the recession takes its toll

This will push the unemployment figure to over 25 000, according to trade union sources

According to the Department of Manpower more than 23 000 blacks are unemployed in the PWV area, although unofficial sources have put the figure much higher

Mr Dumisani Mashaba, national organiser of the Tucsa-affiliate, National Union of Furniture Workers, said Brado workers were unhappy with the "package" they received from their previous employers

BDM 24/3/86

(188) (238) (35)

Furnisher quits black market

Investment Staff

MONTAYS, a Cape Town-based furniture chain, has been forced to withdraw from the black market after being hit by bad debts as a result of unemployment and unrest.

Chairman Sidney Kriseman said the company had changed its strategy to concentrate on white and coloured customers in preference to black.

Some Montays stores in the Eastern Cape had been closed and although the company was on the lookout for new premises, any further expansion would be in the Cape Peninsula.

Emphasising that he had no racial prejudice, Kriseman said that the company's reluctance to take on new black customers unless their references were very good, was purely on economic grounds.

"We have some blue chip black customers who have proved their worth by keeping up payments in these difficult times and, of course, they can obtain further credit.

"But some who live in the ungovernable 'no-go' areas, where we cannot repossess their furniture, have not paid."

Kriseman said Langa and Guguletu, as well as parts of the Eastern Cape, were among "no-go" areas where customers had not paid.

The company wrote off R1,5m in bad debts.

24/4/86 BUS DAY

(188)

Furniture giant to be formed

MERVYN HARRIS

JOSHUA DOORE, which is to go public after merging with Price 'n Pride, will be part of a new, soon-to-be-listed major furniture company.

The new company will include Russells, Wanda and Tiger, among others, with the revamped Joshua Doore as a possible subsidiary.

They will all probably fall under the umbrella of the Kirsh Trading Group (KTG).

"The listing of the new company has been agreed upon in principle but the date has not yet been finalised," says Geoff Austin, MD of KTG's furniture division.

Certain technical factors still have to be sorted out and a new name devised for the company.

The merger of 19 Joshua Doore stores with Price 'n Pride creates a mass-merchandising furniture chain with a turnover approaching R100m.

Price 'n Pride has three stores, with a fourth opening in Pretoria next week, but has a remarkable record since it was started by 38-year-old David Sussman three years ago

It has performed remarkably well in an extremely difficult economy and, contra-cyclically to the furniture trade in general, it has been highly profitable.

Sussman will be chief executive of the merged concern

Mechanics of the merger are that both companies will be reversed into the cash shell, Consure, and its name will be changed to Joshua Doore.

KTG will control 69% of the new Joshua Doore. The Price 'n Pride consortium, which includes Arnie Witkin's New Bernica and Lifegro as well as Price 'n Pride management, will hold 25% The remaining 6% will be held by minorities.

KTG's Joshua Doore was the first in SA to mass-merchandise furniture, and it remains the leader in this field. Price 'n Pride, small, fast-moving and highly successful, is modelled on Joshua Doore,

The new Joshua Doore, when the deal is finalised, will be a strong company with no borrowings, cash of about R2,5m and net assets of R29m

Mervyn King, CE of KTG, sees the deal as a further step in his policy of returning the core divisions of the group to statutory independence.

Furniture prices to soar by further 20%

BUS DAY 8/4/86 188

MICK COLLINS

FURNITURE prices are expected to leap by 20% before the end of July — with a further 15% increase to follow in the third quarter.

As soaring costs and shrinking markets take their toll — 450 furniture factories closed in 1985 — manufacturers say they are being forced to pass on price rises to retailers.

Industry sources say that the increase of 30% in the first quarter was long overdue. A projected 20% is forecast before the end of July, with a 15% hike expected in the third quarter.

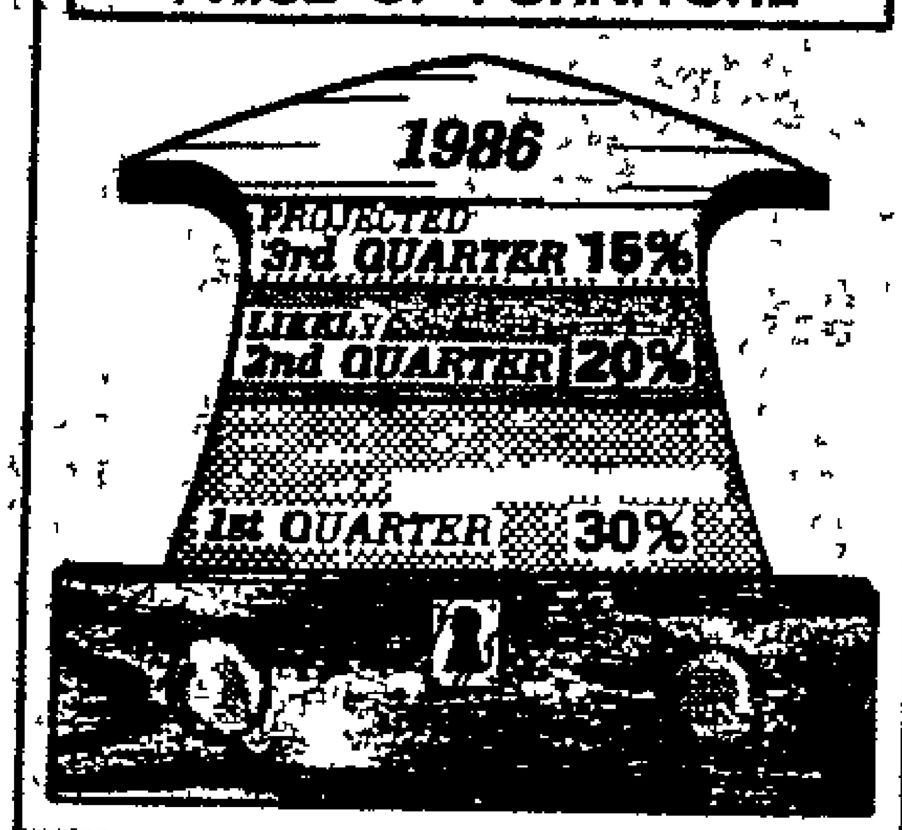
This means that a lounge suite which cost R599 in January will retail at R1 074 before the end of the year.

"Last year, I forecast that prices would increase between 25% and 30% in the first three months of 1986," says Arthur Solomon, GM furniture and appliances at the OK Bazaars.

"This has happened and the industry is now looking at further increases of between 10% and 20%."

Solomon blames the increases mainly on rising imported timber and fabric prices.

INCREASES IN THE PRICE OF FURNITURE



"Most hard woods used in the manufacture of furniture are imported. Recently we have had increases in the prices of imbula, oak and maple. Along with this, major overseas fabric manu-

● To Page 2

Furniture price hike expected

BUS DAY 8/4/86 188

● From Page 1

facturers have been forced to up the price of their products

"Added to all this is a surcharge on imports, a weak rand and extra duty on fabrics."

Solomon says despite manufacturers turning to local fabrics they are still faced with rising costs in the form of wage bills and overheads

"Of the factories that closed down, many were faced with a tight cash flow situation coupled with forex problems.

"My advice to the consumer is to buy as soon as possible and buy wisely Purchase from reputable companies and be selective in quality of product. Ask yourself if the company you intend doing business with will still be around next year"

Grafton Everest marketing director Ed Billes says the plight of the industry is pitiful

"We have had all these closures over the past year and expect many more. I envisage a situation where there won't be enough manufacturers left to service market demands.

"We are looking at ways and means of increasing efficiency, but even that course has a limit Prices have gone up and will continue to do so"

Billes says prices of raw materials have gone up by between 25% and 120% over the past year

"Prices of foam, fabric and wood have soared. If manufacturers continue to supply at current prices, then I forsee a lot more casualties."

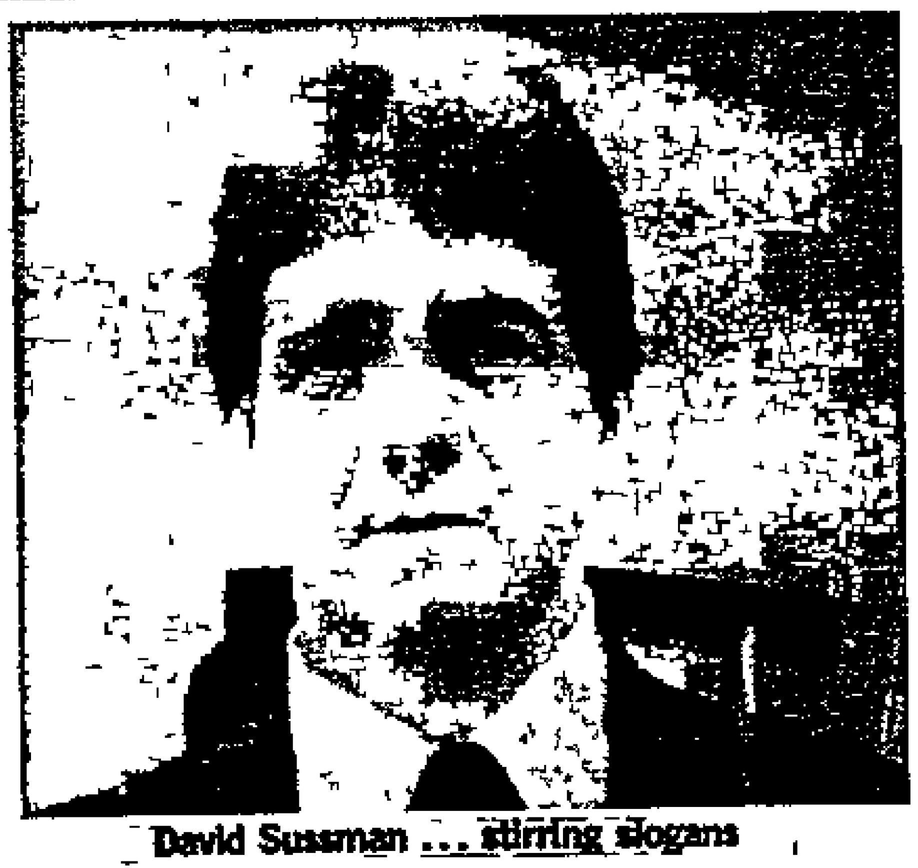
Revolution comes to to Joshua

188

DAVID Sussman, new chief executive of Joshua Doore, the furniture chain to be listed through Consure, is embarrassed about being dubbed "the Raymond Ackerman of the furniture business"

"I'm just starting," says 38-year-old Mr Sussman. "Mr Ackerman has arrived. I still have a long way to travel."

The market does not know much about Mr Sussman, but the enthusiasm of his backers, such as New Bernica's Arnold Witkin, has rubbed off.



David Sussman ... stirring slogans

Premium

Investors eager to get in on the ground floor of Joshua Doore are valuing cash shell Consure at a 74% premium to net asset value. The current price of 105c is expected to fall to 73c after a 32c a share capital reduction. Net asset value is 42c.

Had they been together, earnings of Price 'n Pride and Joshua Doore last year would have been 2,6c a share. Based on the reduced price of 73c, the market is paying about 28 times earnings for Consure.

Pick 'n Pay is 25 times earnings, so already there is an Ackerman-type premium. Another trait Mr Sussman has in common with Mr Ackerman is a fondness for wise and stirring slogans, which hang by the dozen on his unpretentious office's walls.

Two samples — "If the fear of failure exceeds the desire to succeed, don't start" (Aristotle Onassis); and "Vision without discipline is only a day dream" (General Alexander Haig).

Never a miss

Mr Witkin has reason to be an enthusiastic devotee of Mr Sussman's "We invested R945 000 in Price 'n Pride two years ago By net asset value our investment today is worth R2,2-million, its market value is R4,5-million.

"Taking the market price, New Bernica's net asset value has gained more than 30c on the merger and the listing.

"In only a couple of years, Price 'n Pride has achieved sales of R7-million and a pre-tax profit of R1-million — using no debt. In spite of the most appalling climate in furniture that anyone can remember, David has never missed a budget once.

"Days after he opened the third store, the prime interest rate went up three percentage points. I phoned David to commiserate. He was highly excited. 'It's the greatest opportunity of our lives,' he said.

"I like a management that doesn't panic and sees opportunity in adversity"

Control option

The Sussman-New Bernica consortium has an option to take control of Joshua Doore from Kirsh at net asset value.

It's a mutual admiration society Mr Sussman says: "We share Arnold's belief that you don't make money out of people. You make it with them. One could say they got on board cheaply

"But we are happy to have done well for New Bernica. We certainly would not have come this far without them. They opened doors and put us on the map."

In two days, starting on April Fool's Day, Mr Sussman "restructured" Joshua Doore. It entailed ending the ivory-tower head-office syndrome and virtually eliminating executives as a breed, thus reducing the salary bill by R800 000 a year

Layers

"I had worked at Joshua Doore before and understood its basic ethos. I remember the company as recession-proof. After the company's founder, Kenny Fuhr, retired, it lost its focus on big volumes and low overheads. It gradually acquired layers of management and heavy overheads

"We had to get rid of very few people, but we renegotiated salary packages sharply downwards and took back 15 company cars. People were happy to accept the terms because the alternative was retrenchment. We persuaded them that profits and cash flow came first.

"As compensation and an incentive, key people will share in profits. There'll be no limit to what they can earn if they deliver the goods. Incidentally, I will not drive a flashy car"

Mr Sussman's aversion to debt is one reason for Price 'n Pride's success. The lack of interest as an overhead has enabled the company to price competitively

DIAGONAL STREET

By David Carte

HP funding

Price 'n Pride has been patronised largely by blacks because of its CBD location, not because of deliberate ethnicity Its fourth store, which opened recently in Pretoria, enjoys solid white support. Joshua Doore, more white because of suburban locations, will also be non-racial under Mr Sussman.

At present, most sales of the merged company are on hire purchase. It is able to fund the HP book without going into debt itself by being selective about debtors and asking for more than the statutory minimum deposit.

Mr Sussman says: "We try to talk customers into putting as much as 25% down. That way they reduce the monthly burden on themselves and save financing costs. It also improves our bad-debt experience."

Mr Sussman would like to see cash sales about 40% of the total.

Dreams

How can any company in a disaster area such as furniture be worth 28 times earnings?

Mr Sussman says: "There is no such thing as a bad business. As long as there is a market, you'll get a major share by a total commitment to the consumer by being fanatical about dreams and goals.

"I think we have shown this with Price 'n Pride, which was kicked off just as the townships blew up. I remember our slogan, which turned out to be prophetic: 'The Revolution Begins.'

Chopped

"We'll carry on sticking to the basics. I have a good sense of direction and I believe that given leadership, we have a potentially marvellous team. We'll have only 23 stores, so there will be short lines of communication. I want each manager to see his store as his own business. I want partners, not employees"

The PE is not as big as it looks. In fact, it is easy to justify the current price.

Last year's earnings reflect a depressed Joshua Doore labouring under an interest burden that has been chopped since conversion of debt to capital.

If Mr Sussman can get Joshua Doore's pre-tax margins up to the 14% of Price 'n Pride, the combined company will make R14,6-million before tax on sales of R100-million.

That should be possible in 18 months. Apply a full tax rate and you have possible earnings of R7,3-million.

There will be 68-million shares in issue, making potential earnings 10,5c a share. The prospective PE is more like 6,9

Reform delays hit industry

BUS DAY 188 29/4/86

Furniture sales falling

MICK COLLINS

DELAY in introducing political reform has had a disastrous effect on the furniture industry, says Morkels CE Carl Jansen.

He adds that consumer boycotts and the irrational application of hire purchase legislation are eroding the foundation of the R3bn industry.

Commenting on predictions of sharp price increases in the industry, Jansen says declining sales have resulted in smaller factories closing down.

"It is unreasonable to expect that the latest reduction in fuel prices will enable the industry to drop prices. Sales have declined to mid-1979 levels and manufacturers can no longer absorb increases in the prices of imported timbers and fabrics.

"In terms of consumer spending, we are behind housing and ahead of the motor industry. And like the motor industry, we are in a grim fight for survival.

"The tragedy is that those who survive will take decades to recover and reinstate the consumer's freedom of choice in range, technology and price."

Transvaal Furniture Traders' Association president Ian Sturrock says the industry is going through a difficult time.

"At this stage, we have not had a commitment from government.

Cash-strapped B & S seeking liquidation

13/5/94 BUS DAY 188

BRIAN ZLOTNICK

B & S FURNITURE, the building and office equipment supplier, with an annual turnover of R65m and 2 000 employees, yesterday applied for provisional liquidation

Only a few months ago, with the issue of preference shares, it raised R17m after making a loss of R28,1m in the year to December

To bolster the eroded capital base, a consortium of bankers converted R5m of overdrafts into pref shares Clifcor, controlled by B & S executive chairman Clifford Gundle, injected R7m and minorities R5m.

In March this year, MD Bert Davids said "We are absolutely certain we will make an operating profit this year"

He now says "Proposals for the reconstruction of the group could not proceed as funds for the programme have not been made available"

Gundle says current assets exceed liabilities by R8m "Notwithstanding the recent improvement in the economy and the fact that some of the companies are operating at a profit before interest, the servicing of their previous debt is so substantial that the company has become illiquid and has been unable to raise additional funds

"Gearing prevents the company from obtaining additional funds, so that there is no alternative but to place the company in liquidation"

The market has knocked the shares, which last traded at about 80c, down to less than a quarter of their value at the beginning of last year

The Johannesburg Stock Exchange has suspended trading in the shares

Behind-the-scenes moves to rescue B & S Furniture

13/5/86 STAR (188)

By Peter Farley

Behind-the-scenes rescue operations are already being mounted to prevent the total collapse of Mr Clifford Gundle's B & S Furniture group, which yesterday applied for liquidation

P G Wood Industries director Mr Leon Cohen confirmed that they are putting together a consortium to examine ways of keeping the group afloat and try save the jobs of the more than 2 000 employees

Mr Cohen cautioned that the consortium would not be able to make a real evaluation of prospects until a liquidator had been appointed later this week

Nevertheless, he pointed out that with so much of the furniture industry having already gone out of business, and with a tight stucture now in place at B & S, something ought to be able to be achieved if the banks are prepared to accept some form of compromise.

In an unusual step — with current assets exceding liabilities by R8 million — Mr Gundle yesterday applied for the liquidation of the trading companies within the group and the suspension on the JSE of the listed holding company

Mr Gundle explained to *The Star* last night that, despite the surplus of assets over liabilities, cash flow projections showed that at the end of the month he would not have enough to meet current commitments after interest charges to the banks

He revealed that debt servicing costs are running at some R750 000 a month, and although some divisions now show an operating profit, there was not sufficient income to meet all expenses and finance charges

The troubles started shortly after Mr Gundle put the group together three years ago, with the R20 million he received from the sale of his plastics business to AECI

The first inklings of disaster came with the release of figures for the year to end-December 1984, when earnings slumped to 2,3c a share from 28c

But management still continued in the hope that the situation would rectify itself, until the next half year results showed that the bottom line had crashed R10 million into the red

A frantic restructuring resulted in a R17 million rights issue, of which R5 million was put in by a minority shareholder, R7 million in additional cash by Mr Gundle's Cliffcor and the conversion of R5 million of debt into pref shares by the banks

But the fresh funds proved insufficient, particularly with the banks continuing to demand full interest payments, and losses escalated to R28 million by the end of the year

Mr Gundle points out that R6 million of the R7 million Cliffcor injected was absorbed purely through the payment of finance charges

Following the publication of those disastrous figures creditors leaped in to start securing tighter terms This eventually proved the final blow, with furniture manufacturers traditionally working on terms to the trade of up to 180 days and his own creditors now demanding payment within 30 days or less

Mr Gundle says he has tried every avenue for support in recent weeks, but the group is too big for the smaller firms to consider taking over Big operations were waiting in the wings for the firm to fold before they pick up the pieces

Now it is waiting game to see what sort of rescue package can be constructed, though Mr Gundle says he is optimistic something will be pulled out of the fire

15/6/86 STIMES

(188)

Solid wood office furniture boom

By Don Robertson

SOUTH AFRICA's only solid wood furniture manufacturer, Office Furniture Industries, recorded a 121% increase in turnover in the past year at a time when the furniture industry has plummeted

The reason for this success, says managing director Joe Branco, is that solid wood furniture is considered an investment and will also be bought back by the company at any time at the price paid for it

Office Furniture Industries was established by Alfonse Hirsch who came to South Africa from Germany in 1935

It is one of only 30 companies in the world making solid wood furniture Mr Hirsch's furniture soon attracted the attention of the wealthy and was eagerly bought by Johannesburg's Randlords and politicians

Many of the desks, tables, chairs and cupboards made by Alfonse Hirsch are still in use today

The company is today run by Alfonse Hirsch's daughter, Yvonne and his son-in-law, Joe

"Although solid wood furniture is about 30% more expensive than the veneered product, people are looking more closely at how they spend their money," says Mr Branco

"We sell mainly to professional people who are able to include it as an asset"

The furniture is made from wood, such as imbuia, sucupira and oak imported from South America as well as the beautiful panga-panga or partridge wood from Mozambique

All the wood is at least 120 years old and is stored at the companies factory in Elandsfontein for at least two years to allow it to dry properly

Mr Branco has a close affinity with wood, believing it is a living thing As such, furniture manufactured for use at the coast will be built to allow for expansion in the humid atmoshpere

Furniture moved from the coast to the drier atmosphere of the Transvaal must be treated before it can be used

The Branco husband and wife couple operate as a team and every potential customer gets a visit and is given a miniature of the office furniture and suggested colour boards for matching purposes

The factory is currently working at full capacity with the occasional overtime shift

Modern approach to seating means never having to say you are uncomfortable

SA firm set to manufacture ergonomic office furniture

24/6/88 STAR (188)

Masterplanners' Mr Doug Troxler

By Stan Kennedy

Ergonomics in office seating means never having to say you are uncomfortable

More essentially, it means modelling the workplace around the individual instead of the other way around

The development of ergonomic office seating in the past few years, mainly as a result of pressures from white collar unions in Europe, has changed the whole concept of furniture design

Stress-related illnesses such as backache, headaches and eye strain are becoming rare occurrences in the office environment and the average employee is becoming more productive

No longer are European designers coming out with technological gimmicks and marketing them cleverly to achieve sales.

They base their furniture designs on technological fact so that the equipment not only suits today's needs but is also able to grow with the dynamics of the computer industry and the organisation itself

The systems supplier, as opposed to dealers, now gives an organisation the correct hardware to support its function

Again, unlike dealers in the systems furniture market one has to have a wealth of knowledge of buildings and their effect on the people working there, particularly since the advent of the personal computer and information technology

ATTENTIVE

The many prestige office buildings being built in and around Johannesburg and other major cities and the inexhaustible array of furniture designs are sharpening the competitive edge of contestants in the office furniture supplier field, says Mr Doug Troxler, managing director of Masterplanners.

"We have to be more solicitous and attentive to a client's taste and aesthetic judgment

'At the same time, we have to be as discerning and perceptive as the client. Without this sort of rapport you cannot get anywhere

"To work for a furniture supplier company is nothing to write home about It doesn't have glamorous connotations But to be successful, one has to work and study hard to learn the business'

Mr Troxler (39), born in Switzerland and educated in South Africa, is a qualified hotelier

He has run hotels in London and Greece, has been an importer, wholesaler and distributor of goods into Switzerland and an export consultant for US firms

In 1981, he returned to South Africa and joined the industry's leading supplier of office furniture as marketing manager

TRADE OUT

In early 1985 he was head-hunted by GKN Sankey but a few days before he joined the company, GKN decided to discontinue its activities in office furniture

He and two partners offered to help GKN trade out This was accepted and the trio began to make plans to buy the company

THIRD LARGEST

They obtained the licence agreements and secured the support of the principals should they take over the business

'We approached GKN's customers with the agreements from the principals and then made an offer to buy the company Surprisingly the cash offer was turned down and to this day we have not had to pay a cent for the company"

It is now the third largest vendor in a market valued at about R60 million a year with a turnover of more than R8.5 million

Our first year has been difficult because of a downturn in the industry of about 30 percent Despite that we have more than matched GKN's turnover in its last financial year'

Having weathered the storm and retained all its blue chip customers the company is set fair for further growth of about 20 percent this year

Because of the minuscule market, good ergonomic seating has had to be imported — it being the better alternative to large capital outlays for tooling

Now with prices of seating having risen sharply over recent months because of the low value of the rand Masterplanners is to take up the challenge and tool up for locally produced office chairs

While they will lack the plastic styling they will have the same functions and ergonomic benefits and will equal the best from Europe he says At the same time, the venture will save the country hundreds of thousands of rands in foreign exchange

Kroks pay R10,2-m to rescue B & S companies

STAR 3/7/86 188

By Gareth Costa

B & S Furnishers' operating companies have been rescued from final liquidation, after the purchase of the company for the sum of R10,2 million by Mr Solly Krok and Mr Abe Krok in their personal capacities

Mr Solly Krok will become chairman of the company, while the present executive-management team of Mr Clifford Gundle and Mr Bert Davids will retain an equity interest and stay on to run the company

Mr Gundle said this morning that most of the offers to the liquidators were in his opinion low, but he felt that with the potential that the company has the offer of R10 million was fair.

Operating companies of B & S were placed in provisional liquidation on May 30 Although B&S was in the unusual position of having assets that exceeded liabilities by R8 million, it did not have a sufficient cash flow to meet finance charges of around R750 000 a month

Mr Gundle says that the debt that was milking the company of its liquidity has now been wiped out and it will resume trading with a clean book The R10 million will be shared among the creditors

The company had a turnover of R90 million at its peak, but this had subsequently dwindled to nearer the R60 million mark Major products are marketed under the names of Cecil Nurse and Mr Cupboard, while the Krok rescue package will save the jobs of nearly 2 000 employees

In a statement last night, Mr Krok said that it was his intention during the next few months to become acquainted with the different businesses that are presently manufacturing a variety of furniture products investors are showing considerable confidence Even at this price, purchase on a medium-term view looks a sound investment

Neville Glaser

4/7/86

AFCOL FIN MAIL (188)

Off the bottom

Activities: *Manufactures furniture and has interests in companies which supply raw materials to the furniture industry*
Control. *SA Breweries has 66,4% of the equity*
Chairman: *L van der Watt*
Capital structure: *23,1m ords of 50c, 4,3m non-voting ords of 50c Market capitalisation R202m*
Share market: *Price 880c Yields 2,7% on dividend, 5,5% on earnings, PE ratio, 18,3, cover, 2 12-month high, 940c, low, 500c Trading volume last quarter, 222 000 shares*
Financial: *Year to March 31*

	'83	'84	'85	'86
Debt				
Short-term (Rm)	1,1	3,5	0,8	0,9
Long-term (Rm)	13,7	20 6	41,1	57,2
Debt equity ratio	0,11	0,15	0 31	0 39
Shareholders' interest	0,68	0,66	0,59	0,54
Int & leasing cover	4,6	4,4	2,2	1,5
Debt cover	2,4	1,4	0,7	0,3
Performance				
	'83	'84	'85	'86
Return on cap (%)	15,3	11,9	10,6	5,3
Turnover (Rm)	247,4	268,1	295,3	309,4
Pre-int profit (Rm)	30,3	28,3	24,6	14,5
Pre-int margin (%)	7,3	8,7	6,7	3 8
Taxed profit (Rm)	28,9	28,4	19,3	11,5
Earnings (c)	118,6	117,4	80,0	48,0
Dividends (c)	59,3	59,3	40,0	24,0
Net worth (c)	555	653	560	612

Afcol, SA's leading furniture manufacturerer, probably provides the best barometer for the battered furniture industry's fortunes The outlook is not cheerful, as results for the year to end-March indicate that trading conditions have deteriorated further

Attributable profits from furniture manufacturing slumped to R2m (R6m), a far cry from the R16,9m earned four years ago The worst may, however, be over. Encouraged by second-half results, chairman Laurie van der Watt expects "the upward trend in sales and the improvement in earnings experienced in the past six months to continue in the next financial year, provided there is no deterioration in present economic or socio-political conditions."

Why the optimism? It seems much of it is based on the re-instatement of a 10% deposit on furniture purchases The collapse in demand started when government introduced

TAXED PROFITS

	1985	1986
	Rm	
Furniture manufacturing	6,0	2,0
Raw material manufacturing	2 0	2,3
Equity accounted companies	9 8	6 7
Properties and head office	0,7	0,1
	18,5	11,1

Afcol's Van der Watt ... expecting improved earnings

austerity measures in August 1984 Hire-purchase deposits were increased from 10% to 15% and the repayment period was cut from 24 to 18 months No benefit was felt when the two-year repayment period was restored in February last year, but improvement was felt immediately when the deposit was reduced to 10% in August A marked rise in the value of plans passed for dwelling houses in the fourth quarter of last year offers further encouragement

However, margins remained under pressure It was only towards the end of the financial year that progress was made towards recovering substantial cost-inputs Operating margins still have a long way to go before regaining some respectability

Under the circumstances, the raw material manufacturing interests performed well Faced with surplus production capacity, a drive into exports improved earnings by R500 000 and helped to reduce the overall tax rate Arrangements are under way to export finished furniture products in the coming year

Afcol has a 50% stake in particle board manufacturer, Spankor Since end-March, agreement has been reached to merge Spankor's interests in Bisonbord, with a major portion of P G Wood Industries' (PGWI) SA division The merger will not have an immediate effect on Afcol's earnings or net worth, but some future benefit should emerge What the deal has done is combine Afcol's manufacturing capabilities with PGWI's trading strengths

At 880c, Afcol's share price has been remarkably resilient Although earnings may improve this year, the price seems to have discounted much greater recovery prospects Higher borrowings will keep interest charges high and, with plant investment allowances falling away, the tax rate is unlikely to remain as low as in 1986 The historic 2,7% dividend yield looks thin for what seems to be modest recovery prospects

Patric Ho

DATES TO REMEMBER

Last day to register for dividends:
Friday July 11: Con Murch 30c, Otis 17c, Placor 25,5c, Plate Glass 70c
Meetings:
Monday July 7: Amrel, N Bernica (S)
Tuesday July 8: OK
Wednesday July 9: Edgars, Vierfontein
Thursday July 10: Afcol, Jabula
Friday July 11: Frencorp

All meetings are in Johannesburg unless otherwise stated
S = Special meeting

4/7/86

BURLINGTON (185) FIN MAIL

Surprise turnaround

Activities: *Manufactures men's shirts and leisure wear, ladies knitted overwear and children's fashion wear*
Control *Directors control 66%*
Chairman *P Kawitzky*
Capital structure *600 000 ords of 50c Market capitalisation R1m*
Share market: *Price 130c 3,5% on earnings, PE ratio, 28,9 12-month high, 200c; low, 130c*
Financial *Year to December 31*

	'82	'83	'84	'85
Debt				
Short-term (R000)	2 584	1 361	2 243	1 828
Long-term (R000)	526	337	774	1 850
Debt equity ratio	2,2	1,1	1,2	1,4
Shareholders interest	0,24	0,36	0,39	0,37
Int & leasing cover	3,1	2 1	—	1,1
Debt cover	0,17	0,15	—	0,04
Performance				
	'82	'83	'84	'85
Return on cap (%)	13 5	8,4	—	8,3
Turnover Index*	204	169	171	138
Pre-int profit (R000)	784	348	(267)	580
Taxed profit (R000)	310	150	(409)	33
Earnings/(Loss) (c)	50 6	23 9	(69,1)	4,5
Dividends (c)	15,0	10 0	2,5	—
Net worth (c)	217	230	412	417

* 1978=100

In previous years Burlington's high level of debt has dragged down its profits, but last year the group turned its 1985 loss into a profit — despite increased borrowings, a R237 736 (or 77%) rise in interest paid and a fall in turnover Chairman Philip Kawitzky says stringent control was the reason for the recovery Debtors have been reduced by 24%, and finance and leasing charges are 47% lower, but an anomaly is the 24% rise in stocks, especially of finished goods

According to director Anthony Kawitzky, a large portion of the higher stock resulted from the extension of delivery periods for winter stock at the request of customers. Inflation pushed up selling prices and stricter control of credit led to deliveries to some customers being held back

Philip Kawitzky says the export programme is being maintained and management hopes to increase export turnover. This

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Manufacturer: HP curbs led to loss of jobs

Dispatch Correspondent

PORT ELIZABETH — The restrictive measures on hire purchase transactions introduced in August 1984 had led to the loss of 7 500 jobs within the South African furniture manufacturing industry, the president of the Federation of Furniture Manufacturers of South Africa, Mr Ike Lasarow, said yesterday

Speaking after the federation's mid-year meeting, Mr Lasarow said that in spite of the removal of restrictions on deposits and the extended hire purchase repayment period, a total of 252 factories had either gone into liquidation or closed down during the past 20 months

Factory sales, expressed in real terms for the first quarter of 1986, were 15,1 per cent lower than the same period in 1985 and 28,9 per cent lower than sales for the first quarter of 1984

He said the industry was faced with sharp escalations in the price of raw materials, such as locally grown timber, and locally manufactured upholstery fabrics

"The situation is further exacerbated by having to import upholstery fabrics at prohibitive prices because they are not available from local markets, but some relief has been obtained through a temporary abatement of duty on these fabrics," he said

Mr Lasarow said the federation was hopeful that representation made by the federation for the removal of the 10 per cent surcharge on imported raw materials used by the industry would be approved to give further relief

He called for greater assistance in the form of cheaper raw materials and transport concessions to help boost the industry's export market

FW MAIL 25/7/86

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RENHOLD

New direction

As presaged last week, Renhold has announced a reverse takeover worth R19,1m The company, listed in the cash shell sector, is acquiring the total equity of particle board manufacturer Interboard and door-makers Justcom and Dekor

The purchase will be met by the issue of 63,5m shares, 50m of which will go to Interboard shareholders Vendors of Justcom and Dekor have agreed to sell their 13,5m shares to Interboard's Dutch parent Interboard NV at 30c a share After the deal, Interboard NV will end up with 68,4% of Renhold Minorities will also be offered 30c for their shares Net worth after the deal will increase from 10c to 30c a share

Interboard CE Ed Dutton will head the enlarged group as executive chairman Former controlling shareholder Renier van Rooyen will remain on the board

A rights offer at 30c is planned Interboard NV will follow its rights and underwrite the R8,8m issue After repaying borrowings, R6,8m cash will remain "We plan to be recession proof and poised to take advantage of good opportunities," says Dutton

Turnover is projected at R30m with earnings forecast at R3,4m — 4,1c a share

FINANCIAL MAIL JULY 25 1986

SAAN's Mulholland ... more discipline

Asset sales have gone well, and at end-March R26,5m had been raised from the disposal of presses and the Main Street building Remaining disposals are expected to bring Saan's once heavy debt load down to around R12m At this level, says Mulholland, the group should easily fund potential finance costs

With a company like Saan, which has a sorry recent history of losses, the real issue is cash flow If management can confidently predict positive cash flow after all running costs, it is unquestionably on the road to recovery On the evidence of recent months, says Mulholland, Saan has indeed moved into positive cash generation

Neville Glaser

According to Dutton, profits for the first quarter to end-May are ahead of projections With assessed losses of R29m, he adds, earnings should be tax-free for quite a few years

Given the depressed state of the building and furniture industries short-term prospects might be thought unexciting Dutton disagrees He believes Interboard can increase market share "We have always operated in a depressed market and since inception three years ago have increased market share annually We now hold 8%" Undoubtedly, though, Interboard will find it increasingly difficult to grow off a higher base

Future export potential

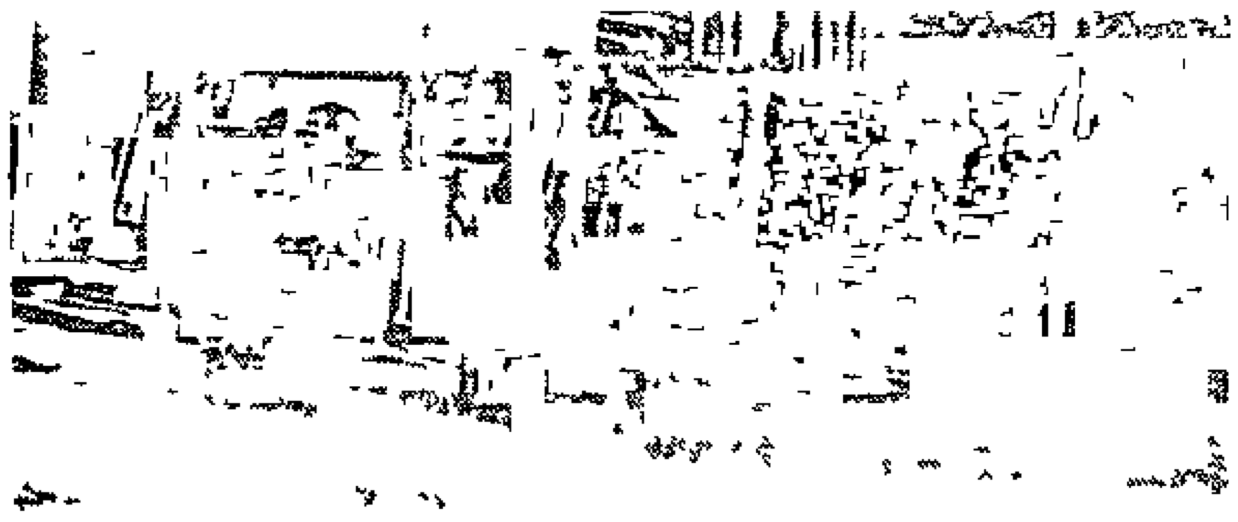
Unlike industry leader Bisonbord, Interboard's export market is limited Dutton points out, however, that Interboard NV recently made a large investment in Swaziland With 50% of the Swazi company's output geared for foreign markets, Dutton believes it is better placed for exports, especially with growing threats of sanctions The Swazi operation will not be injected into Renhold until it is profitable

Expectations of major acquisitions have pushed the share price 50% higher to 45c in less than two months As the forward p e of 11 is not unrealistic, minorities are unlikely to accept the buy-out offer *Patric Ho*

disciplined approach, says MD Stephen Mulholland Indiscriminate discounting of advertising space — which damaged the group's integrity — has been brought under control Although an aggressive pricing policy was followed, circulation figures for key publications remain buoyant

The Sunday Times, for example, has maintained circulation at just under 500 000, despite the recent 53% hike in the cover price — a clear indication, says Mulholland, of its standing in the market The *FM*, following a 50% price hike, initially lost some circulation, but "very rapidly regained it," to continue its domination of the financial magazine market

Given the state of the market, says Mulholland, "the only way we can return to profits is by maintaining market share, while simultaneously cutting costs And that is happening" The impending move to Diagonal Street is likely to be "both costly and traumatic," but once Saan is settled in, it can look towards sustained recovery



The 'headquarters' of the furniture factory

Organiser Sout Khosa and (pic right) one of his workers with a chair he's just completed

The open-air factory ...

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UNDER deep shadows cast by thorn shrubs and huge marula trees, dedicated furniture manufacturers are creating – with limited tools and resources at their disposal – magnificent furniture from the indigenous wood.

The end products, however, will do any house proud.

The furniture manufacturers of Gazankulu in the Mala district labour under the open sky in the makeshift "factories" tacked together with reject wooden planks in a fashion which makes air-conditioning obsolete – although temperatures often soar above 40C.

Sout Khosa – who says he finds it hard to calculate his age – started manufacturing furniture in 1962 in the bush area near Hazyview in the North-Eastern Transvaal. And he has a limited academic background.

Khosa has designed furniture for clients from the US, Switzerland, England and all over SA.

This self-taught artisan is now teaching his four sons the skills of his trade.

The tools and conditions under which the furniture is manufactured are so primitive that it is virtually impossible to visualize that the finished products, on display in many modern homes, have been created in the bush.

The wood used is mainly kiaat, tambotti, and black and red ivory – obtained from the Gazankulu Nature Conservation Department.

The raw trunk, once sawn off in the bush, is transported or carried many kilometres to the make-shift factory where it is sawn into timber of desired lengths and stacked out to dry.

Khosa's diesel-driven circular saw – there is no electricity in the area – has seen better days, and only starts when father and sons combine their efforts to strain the starter belt.

A stylish kiaat dining-room suite, comprising eight heavy chairs and a solid oval table almost two metres in length, is completed within two weeks.

"We do not need a factory in town or in an industrial area. It is best to work from home," says Khosa.

He says his business received a positive boost during a recent exhibition organised by the Shangaan-Tsonga Development Corporation.

He left the bush to exhibit his craft, and promptly received a host of orders for dining-room suites, riempie benches and coffee tables.

Khosa manufactures a number of items, and transports them to the cities where they are sold almost immediately upon arrival.

"Tools are expensive and wood is becoming more scarce, but I prefer working in the bush, away from civilisation," says Khosa.

GOVT. GAZ.

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DEPARTMENT OF MANPOWER

No. R. 1686 — 15 August 1986

LABOUR RELATIONS ACT, 1956

FURNITURE MANUFACTURING INDUSTRY, ORANGE FREE STATE.—AMENDMENT OF MAIN AGREEMENT

I, Pieter Theunis Christiaan du Plessis, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 31 March 1987, upon the employers' organisation and the trade union which entered into the Amending Agreement and upon the employers and employees who are members of the said organisation or union, and

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clause 1 (1) (a) shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 31 March 1987, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement.

P. T. C. DU PLESSIS,
Minister of Manpower

SCHEDULE

INDUSTRIAL COUNCIL FOR THE FURNITURE MANUFACTURING INDUSTRY OF THE ORANGE FREE STATE

AGREEMENT

in accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between the

Vereniging van Meubelfabrikante en Stoffeerders, O.V.S

(hereinafter referred to as the "employers" or the "employers' organisation"), of the one part, and the

DD 20/8/86 188

Manufacturer denies witholding benefits

Dispatch Reporter

EAST LONDON — The Border Industrial Council for the Furniture Manufacturing Industry has denied claims by employees at a Greenfields furniture manufacturer that they would only receive their benefits pay during December following the closure of the company two weeks ago

A representative of the 58 employees at Totem Design, Mr Themba Patrick Sinobola, said yesterday that all employees in the company had been informed by management on Thursday, August 7, that the company would close down the following day

Mr Sinobola, who had been working at Totem Design for two years, said the employees had been given no reason for the closure and had been told they could collect their benefits pay from the local offices of the Border Industrial Council for the Furniture Manufacturing Industry

The employees claimed that they were subsequently told by the council that they would only get their benefits pay in December

The chairman of the Border Industrial Council for the Furniture Manufacturing Industry, Mr P W Mackie, said yesterday that, according to the agreement regulated by the council, the employees would be entitled to be paid out their entitlement under the Provident Fund three months after leaving the furniture manufacturing industry

"In the case of Totem Design though, special arrangements have been made to advance money against the Provident Fund entitlement to assist the employees who have suddenly lost income," Mr Mackie said

The employees holiday pay was normally paid out during December of each year, he added

The manager of Totem Design, Mr N G Terblanche, could not be contacted for comment yesterday

DD 20/8/86 (188)

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The manager of Totem Design, Mr N G Terblanche, could not be contacted for comment yesterday

FIN MAIL 22/8/86

WORLD (188)

Not appreciated

The market has responded with curious indifference to good results posted by World Furnishers last week It reported after-tax profits of R1,03m of the six months to end-June, compared with R1,09m for the whole of the previous year Lower down the income statement, a windfall R8,4m profit was recorded on the sale of part of the investment in Jazz The company still holds 1m Jazz shares worth around R2,9m, as this relatively small stake has no strategic value, it is bound to be sold off eventually

Yet the share price has remained virtually inert at around 260c, only 5c up from its level in early August While some analysts could argue that the sharp rise in World's price this year from 150c to 260c has discounted the good news, retail analyst Eric Levine contends that the counter is palpably underpriced

Based on reported interim earnings of 10,1c a share, and bearing in mind that the second half covers the Christmas period, and that earnings in this period last year were 38c, Levine is predicting earnings for the full year of 60c This places the share on an extremely low forward p e ratio of 4,3 times, materially out of line with the rating accorded Ellerines (six times) Amrel (12,8 times) and even newly listed Joshua Doore

Allowing for a conservative p e rating of five times, Levine believes that World should be trading at least at 320c, and even then it would be at a good discount to net worth of 380c It's worth noting that a company like Joshua Doore trades at double net worth

Furniture sales have been relatively strong since April, says Levine, and there seems little reason to doubt the trend will continue through the year At financial level, World has significantly reduced debt since it began selling off its stake in Jazz The debt equity ratio has fallen from 69% to 31%, and the interest saving alone could give earnings a good fillip this year W & A director Martin Glatt also speaks of a "higher degree of optimism" for World, particularly as the debtors book is looking more stable

All of which seems to indicate that a closer look at the share could be worthwhile

Neville Glaser

that Laser is currently riding an emigration boom and when this fizzles out profit growth could be retarded

Kaye argues that Laser's operations are strongly contra-cyclical "The market has overdone the importance of emigration profits," he says "This is only the cream on top, and in fact quite a small part of total profits " In the international market, he adds, "by far our biggest client is the foreign office, and that provides stable, recurring business "

Laser's contra-cylicality, Kaye says, is inherent in the different removal markets it services "During periods of economic prosperity in SA, internal business and inward international business increase, while during periods of local economic recession, the volumes and value of outward business increase Thus, Laser does not experience material fluctuations in profitability "

Kaye adds "Currently, local house moves are very depressed, as is immigration business When emigration tails off we reasonably expect that immigration will begin to pick up to replace people lost in the job market " Whatever the investment fraternity may have decided, the response to the listing offer indicates a vote of confidence in the company *Neville Glaser*

FEATURE

FURNITURE SECTOR

Poised for growth

188 5/7/86

Shares in the furniture sector have proved closely linked to economic trends and consumer confidence. Some of these stocks should continue to show the benefits of more favourable trends.

Like all true manic-depressives, the furniture industry seems to experience mainly the extremes of confidence and despair The graph, which tracks the relative strengths of furniture and industrial shares, shows just how radically these counters react to changing market perception.

That furniture companies are on a recovery trail is beyond question — virtually all executives canvassed by the *FM* this week reported large increases in sales volumes, compared with the dismal months of 1985 A question now vexing analysts is whether the recent run on furniture stocks marks the beginning of a sustained share recovery, or whether the sectors' medium-term revival has been discounted by the sharp rise in furniture counters

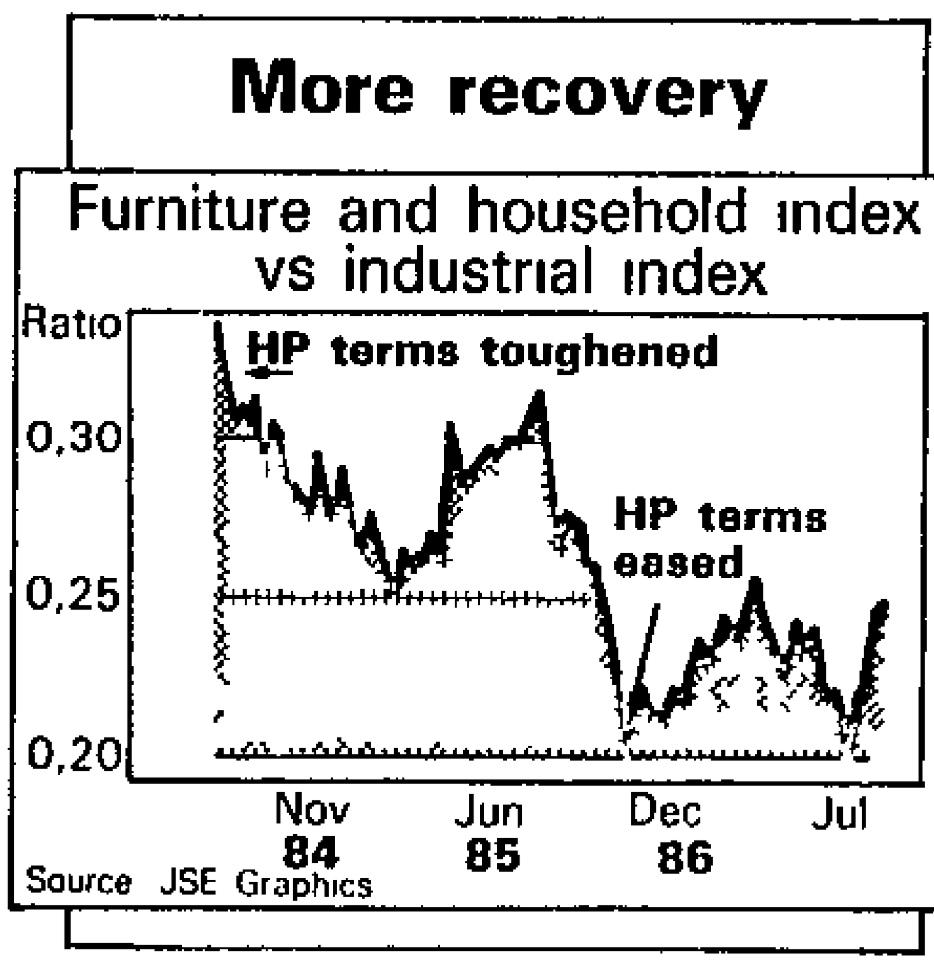
Several analysts, including Retailinform's Eric Levine, believe furniture counters may have some way to go, as projected earnings and dividend yields remain relatively high Moreover, data prepared by Retailinform from Central Statistics information shows that furniture sales remain well down on volumes achieved before 1985 Using 1980 constant prices (stripping out inflation), sales in May 1986 are recorded at R47,8m, compared with R43,4m in May 1985, and well below R67,1m in May 1984 Analysts and furniture executives report even stronger sales in the months after May

But everyone seems to agree September will be a benchmark month for the furniture industry As HP restrictions were lifted in August last year, September will be the first month allowing for a true year-on-year sales comparison If the trend is up, some analysts believe furniture shares could again be due for a rerating

Not everyone is convinced furniture stocks still offer value Some believe that institutional stocks like **Amrel** and **Afcol** have run far enough for the present, and a fundamentally firmer economy will be needed to boost them further One should note, however, that highly-geared Amrel is a major beneficiary of current falling interest rates, with each 1% that rates fall adding 10c to earnings a share (it lost 11c a share in the year to end-March 1986)

Notwithstanding the misgivings, the falling trend-line in our graph implies that, despite the recent run on furniture shares, these stocks continue to trail industrial shares by a massive margin One analyst cautions that it is possible to make too much of this, as the strength of the industrial index tends to be exaggerated by the buoyancy of such heavyweights as Remgro, SA Breweries, Amic and Barlows — making furniture stocks seem weak in comparison

Before even looking at the furniture stocks, one needs to assess the nature and quality of the current resurgence in durable spending The recovery is strongest among white shoppers, say executives from both Amrel and **Russells** (Rusfurn) They note pent-up demand in this market has been unleashed by fears of price increases and driven further by lower interest rates White consumers are said to be particularly susceptible to rates, partly because most are home-owners whose distributable incomes are heavily influenced by bond repayments



Rusfurn MD, Jeff Austin, believes whites have become inured to gloomy political reports, and many are now feeding off the "debt capacity" they accumulated while old debt was repaid with new purchases withheld Russells also trades in the black market, and in this sector Austin claims "generating turnover is easy, but collecting the debt afterwards is difficult," largely because of problems in the townships But overall, he says, "things are looking better than at any time during the last two years "

Confirming that debt collection is a problem in the black trade, **Ellerines** made a 30% provision against its debtors book last week, while still recording a superb turnaround for the interim period to end-June Notably, a 30% increase in Ellerines' turnover produced a 75% increase in operating profits, underlining the leverage affect on profits when sales begin to recover in this industry, with its heavy overhead structures

Accepting that we are seeing a recovery in upmarket spending, the share to watch is surely **Bradlows**, which targets itself at middle-to-upper income groups Bradlows will need to trade strongly, though, to make up ground it lost in its first-half trading period, when it ended marginally in the red The company is said to be somewhat conservative, having in the past forsaken sales in favour of minimising the risk on its debtors book The second-half performance should tell analysts whether it has resumed a more aggressive sales strategy

Bradlows' fellow subsidiary in the W & A group is **World**, which has been sharply rerated in the last two weeks in delayed reaction to the excellent results reported a few weeks earlier The share has risen from 255c to 300c in the last two weeks, and even now is arguably underpriced The sale of its stake in Jazz has raised over R10m, enabling World to cut debt to the bone, with potential massive savings in interest charges World trades in the black market, bearing the associated risks

Furniture is one industry that appears to carry large political risks But it has shown itself viable, if not prosperous, under severely unstable conditions Provided the social environment doesn't deteriorate too far, the potential for medium-term recovery must be strong

In the long term, explosive demand could be generated from the black market in the wake of projected State spending on black housing, and the inevitable and accelerating trend towards urbanisation in the black community It could, of course, be argued that shares are seldom bought on prospects that are so far in the future but the potential in a well-managed furniture group is clear enough *Neville Glaser*

No. R. 1903 **12 September 1986**

PLANTVERBETERINGSWET, 1976 (WET 53 VAN 1976)

REGULASIES MET BETREKKING TOT ONDERNEMINGS, VARIETEITE, PLANTE EN VOORTPLANTINGSMATERIAAL —WYSIGING

Die Adjunk-minister van Landbou-ekonomie, handelende namens die Minister van Landbou-ekonomie kragtens artikel 34 van die Plantverbeteringswet, 1976 (Wet 53 van 1976), het die regulasies in die Aanhangsel uitgevaardig

AANHANGSEL

Die regulasies gepubliseer by Goewermentskennisgewing R 1064 van 23 Mei 1980, soos gewysig deur die regulasies gepubliseer by Goewermentskennisgewings R 1621 van 22 Julie 1983, R 2173 van 28 September 1984, R 1287 van 14 Junie 1985, R 1522 en R 1524, beide van 12 Julie 1985 R 256 van 14 Februarie 1986 en R 1489 van 11 Julie 1986 word hierby verder gewysig deur in Tabel 2 na die uitdrukking "Vigna unguiculata (L) Walpers Akkerboon/Cowpea" in kolom 1 daarvan, die uitdrukkings "Vitis spp Druif/Grape", "156" en "5" onderskeidelik in kolomme 1, 2, en 3 van vermelde Tabel in te voeg

No. R. 1903 **12 September 1986**

PLANT IMPROVEMENT ACT, 1976 (ACT 53 OF 1976)

REGULATIONS RELATING TO ESTABLISHMENTS, VARIETIES, PLANTS AND PROPAGATING MATERIAL —AMENDMENT

The Deputy Minister of Agricultural Economics, acting on behalf of the Minister of Agricultural Economics under section 34 of the Plant Improvement Act, 1976 (Act 53 of 1976), has made the regulations in the Annexure

ANNEXURE

The regulations published by Government Notice R 1064 of 23 May 1980, as amended by the regulations published by Government Notices R 1621 of 22 July 1983, R 2173 of 28 September 1984, R 1287 of 14 June 1985, R 1522 and R 1524, both of 12 July 1985, R 256 of 14 February 1986 and R 1489 of 11 July 1986 is hereby further amended by the insertion in Table 2 after the expression "Vigna unguiculata (L) Walpers Akkerboon/Cowpea" in column 1 thereof, of the expressions "Vitis spp Druif/Grape", "156" and "5" in columns 1, 2 and 3 of the said Table respectively

DEPARTEMENT VAN MANNEKRAG

No 1878 **12 September 1986**

WET OP ARBEIDSVERHOUDINGE, 1956

MEUBELNYWERHEID, TRANSVAAL —WYSIGING VAN HOOFOOREENKOMS

Ek, Pieter Theunis Christiaan du Plessis, Minister van Mannekrag, verklaar hierby—

(a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhoudinge, 1956 dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 Junie 1988 eindig, bindend is vir die werkgewersorganisasie en die vakvereniging wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasie of vereniging is, en

(b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousule 1 (1) (a), met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 Junie 1988 eindig, bindend is vir alle ander werkgewers en werknemers as dié genoem in paragraaf (a) van hierdie kennisgewing wat betrokke is by of in diens is in genoemde Onderneming, Nywerheid, Bedryf of Beroep in die gebiede in klousule 1 van die Wysigingsooreenkoms gespesifiseer

P T C DU PLESSIS,
Minister van Mannekrag

BYLAE

NYWERHEIDSRAAD VIR DIE MEUBELNYWERHEID TRANSVAAL

OOREENKOMS

ooreenkomstig die Wet op Arbeidsverhoudinge, 1956, gesluit deur en aangegaan tussen die

DEPARTMENT OF MANPOWER

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No. R. 1878 **12 September 1986**

LABOUR RELATIONS ACT, 1956

FURNITURE MANUFACTURING INDUSTRY, TRANSVAAL —AMENDMENT OF MAIN AGREEMENT

I, Pieter Theunis Christiaan du Plessis, Minister of Manpower, hereby—

(a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 June 1988, upon the employers' organisation and the trade union which entered into the Amending Agreement and upon the employers and employees who are members of the said organisation or union, and

(b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clause 1 (1) (a), shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 June 1988, upon all employers and employees, other than those referred to in paragraph (a) of this notice, who are engaged or employed in the said Undertaking, Industry, Trade or Occupation in the areas specified in clause 1 of the Amending Agreement

P T C DU PLESSIS
Minister of Manpower

SCHEDULE

INDUSTRIAL COUNCIL FOR THE FURNITURE MANUFACTURING INDUSTRY, TRANSVAAL

AGREEMENT

in accordance with the provisions of the Labour Relations Act, 1956, made and entered into by and between the

Transvaal Furniture and Upholstery Manufacturers' Association

(hierna die werkgewers of die werkgewersorganisasie genoem) aan die een kant en die

National Union of Furniture and Allied Workers of South Africa

(hierna die werknemers of die vakvereniging genoem) aan die ander kant,

wat die partye is by die Nywerheidsraad vir die Meubelnywerheid, Transvaal,

om die Ooreenkoms gepubliseer by Goewermentskennisgewing R 1347 van 30 Junie 1981 soos gewysig en verleng by Goewermentskennisgewings R 1819 van 27 Augustus 1982 R 1453 van 1 Julie 1983 R 1919 en R 1920 van 2 September 1983 R 1026 van 10 Mei 1985 R 2500 en R 2501 van 8 November 1985 en R 1344 van 27 Junie 1986 te wysig

1 TOEPASSINGSBESTEK VAN OOREENKOMS

(1) Hierdie Ooreenkoms moet in die Meubelnywerheid, Transvaal nagekom word—

(a) deur alle werkgewers wat lede van die werkgewersorganisasie is en deur alle werknemers wat lede van die vakvereniging is en wat onderskeidelik by die Meubelnywerheid betrokke of daarin werksaam is,

(b) in die provinsie Transvaal en in die landdrosdistrik Vryburg soos dit op 24 Junie 1960 saamgestel was

(2) Ondanks subklousule (1) is hierdie Ooreenkoms—

(a) slegs van toepassing op werknemers vir wie lone daarin voorgeskryf word en op die werkgewers van dié werknemers,

(b) van toepassing op vakleerlinge vir sover dit nie onbestaanbaar is nie met die Wet op Mannekragopleiding 1981 of met n regulasie gemaak of kontrak aangegaan ingevolge genoemde Wet, en

(c) onderworpe aan die bepalings van die Vasstelling van die Nywerheidshof gedateer 30 Oktober 1984, in die saak tussen die Nywerheidsrade vir die Meubelnywerheid Transvaal en Natal, en die Nywerheidsrade vir die Bounywerheid, Transvaal en Natal en die Nasionale Nywerheidsraad vir die Yster Staal , Ingenieurs-en Metallurgiese Nywerheid

HOOFSTUK 1

2 KLOUSULE 3 —WOORDOMSKRYWING

(1) Voeg die volgende nuwe omskrywing in na die omskrywing werknemer graad IV '

" werknemer graad IV (A) (handskuurder) n werknemer wat enigeen van of al die werksaamhede uitvoer wat in die Meubelnywerheid verrig word soos in klousule 27 van Hoofstuk II van die Ooreenkoms bedoel,

(2) Voeg die volgende nuwe omskrywing in na die omskrywing militere diens

'vennoot iemand wat as sodanig aangedui word in n vennootskapsooreenkoms van n vennootskap wat kragtens klousule 18 as werkgewer geregistreer is of geregistreer moet word en—

(a) wat gemagtig is om op die bankrekening van die werkgewer te werk, en/of

(b) wie se naam voorkom as 'n vennoot in die vennootskapsooreenkoms wat by die Raad ingedien is en wat aan die bepalings van artikel 71 (2) van die Wet op Arbeidsverhoudinge, 1956 (Wet 28 van 1956) moet voldoen,"

(3) Voeg die volgende nuwe omskrywing in na die omskrywing stukwerk

" proefwerknemer n werknemer vir wie lone voorgeskryf word en wat in diens is van n spesifieke bedryfsinrigting vir n proeftydperk van twee weke om die werkgewer in staat te stel om te bepaal of die werknemer die werksaamhede in Hoofstuk II of Hoofstuk III van die Ooreenkoms bedoel, kan uitvoer, '

(4) voeg die volgende nuwe omskrywing in na die omskrywing besoldiging"

" 'personeelvermindergstoelae die bedrag wat ooreenkomstig klousule 8 (soos hieronder gewysig) betaal moet word aan n werknemer wat afgedank is,"

(5) Vervang die omskrywing 'werkende eienaar" of werkende vennoot' deur die volgende omskrywing

" 'Werkende werkgewer' iemand uitgesonderd 'n vennoot of direkteur in n vennootskap of maatskappy of n lid van n beslote korporasie wat lid is van die Transvaal Furniture and Upholstery Manufacturers Association, wat self werk verrig in enigeen van die werksaamhede bedoel in Hoofstuk II of Hoofstuk III van die Ooreenkoms en wat—

(a) kragtens klousule 18 as 'n werkgewer geregistreer is of moet wees, of

(b) 'n vennoot is in 'n vennootskap wat kragtens klousule 18 as n werkgewer geregistreer is of moet wees, of

(c) 'n direkteur is van n maatskappy wat kragtens klousule 18 as 'n werkgewer geregistreer is of moet wees, of

Transvaal Furniture and Upholstery Manufacturers' Association

(hereinafter referred to as the employers or the employers organisation), of the one part and the

National Union of Furniture and Allied Workers of South Africa

(hereinafter referred to as the employees or the trade union) of the other part

being the parties to the Industrial Council for the Furniture Manufacturing Industry Transvaal

to amend the Agreement published under Government Notice R 1347 of 30 June 1981 as amended and extended by Government Notices R 1819 of 27 August 1982 R 1453 of 1 July 1983 R 1919 and R 1920 of 2 September 1983 R 1026 of 10 May 1985 R 2500 and R 2501 of 8 November 1985 and R 1344 of 27 June 1986

1 SCOPE OF APPLICATION

(1) The terms of this Agreement shall be observed in the Furniture Manufacturing Industry Transvaal—

(a) by all employers who are members of the employers organisation and by all employees who are members of the trade union who are engaged or employed in the Furniture Manufacturing Industry respectively

(b) in the Province of the Transvaal and in the Magisterial District of Vryburg as it was constituted as at 24 June 1960

(2) Notwithstanding the provisions of subclause (1), the provisions of this Agreement shall—

(a) apply only to employees for whom wages are prescribed therein and to the employers of such employees

(b) apply to apprentices in so far as they are not inconsistent with the provisions of the Manpower Training Act 1981 or any regulation made thereunder or contract entered into in terms of the said Act and

(c) be subject to the provisions of the Determination by the Industrial Court dated 30 October 1984 in the matter between the Industrial Councils for the Furniture Manufacturing Industry Transvaal and Natal and the Industrial Councils for the Building Industry, Transvaal and Natal and the National Industrial Council for the Iron Steel Engineering and Metallurgical Industry

CHAPTER 1

2 CLAUSE 3 —DEFINITIONS

(1) Insert the following new definition after the definition Grade IV employee'

Grade IV (A) employee (handsander) means an employee who performs any or all of the operations performed in the Furniture Manufacturing Industry referred to in clause 27 of Chapter II of the Agreement

(2) Insert the following new definition after the definition military service

partner means a person reflected as such in a partnership agreement of a partnership which is registered or is required to be registered as an employer in terms of clause 18 and—

(a) who has powers to operate on the banking account of the employer and/or

(b) whose name appears as a partner in a partnership agreement lodged with the Council which agreement shall conform to the requirements of section 71 (2) of the Labour Relations Act Act 28 of 1956

(3) Insert the following new definition after the definition piece work

probationer means an employee for whom wages are prescribed and who is engaged at a specific establishment for a probationary period of two weeks to enable the employer to assess the employee s ability to perform the operations defined in Chapter II of Chapter III of the Agreement

(4) Insert the following new definition after the definition remuneration"

retrenchment allowance means the amount to be paid as prescribed in clause 8 (as amended hereunder) to an employee who has been retrenched,

(5) Substitute the following for the definition working proprietor or working partner

" working employer' means a person other than a partner or a director in a partnership or company or a member of a close corporation which is a member of the Transvaal Furniture and Upholstery Manufacturers Association who himself performs any of the classes of work referred to in Chapter II or Chapter III of the Agreement and who—

(a) is registered as an employer in terms of clause 18, or is liable to such registration or

(b) is a partner in a partnership which is registered as an employer in terms of clause 18 or is liable to such registration, or

(c) is a director of a company which is registered as an employer in terms of clause 18 or is liable to such registration; or

(d) 'n lid is van 'n beslote korporasie wat kragtens klousule 18 as 'n werkgewer geregistreer is of moet wees"

3 KLOUSULE 4.—SLUITING VAN BEDRYFSINRIGTINGS VIR DIE JAARLIKSE VAKANSIESLUITING

Vervang klousule 4 deur die volgende:

"4 SLUITING VAN BEDRYFSINRIGTINGS VIR DIE JAARLIKSE VAKANSIESLUITING

Geen werkgewer mag werk verrig of van 'n werknemer vereis of hom toelaat om werk te verrig nie en geen werknemer mag werk onderneem of verrig teen besoldiging al dan nie gedurende die volgende tydperke nie:

(1) 1986/87

(a) Vanaf die aand van Vrydag 12 Desember 1986, tot die heropeningstyd op die oggend van Donderdag 8 Januarie 1987 of

(b) vanaf die aand van Vrydag 19 Desember 1986 tot die heropeningstyd op die oggend van Woensdag 14 Januarie 1987,

(2) 1987/88

(c) vanaf die aand van Vrydag 11 Desember 1987, tot die heroepeningstyd op die oggend van Donderdag 7 Januarie 1988 of

(d) vanaf die aand van Vrydag 18 Desember 1987 tot die heropeningstyd op die oggend van Woensdag 13 Januarie 1988

4 KLOUSULE 8.—KORTTYD

(1) Vervang die opskrif van klousule 8 deur die volgende:

"8 KORTTYD EN PERSONEELVERMINDERINGSTOELAE"

(2) Vervang subklousule (2) deur die volgende:

"(2) Wanneer korttyd gewerk word moet die beskikbare werk verdeel word onder die werknemers wat geraak is in 'n seksie en as daar bevind word dat dit nodig is om werknemers af te dank moet die werknemers wat afgedank gaan word 'n personeelverminderingstoelae van een week se gewone lone vir elke voltooide jaar diens onderworpe aan 'n maksimum van 12 weke se normale lone betaal word Met dien verstande dat geen werknemer weens korttyd ontslaan mag word nie voordat die korttydwerkure tot minder as 35 per week oor 'n aaneenlopende tydperk van een week daal."

5 KLOUSULE 13.—VAKANSIEBONUSFONDS

In subklousule (1) (a) voeg die volgende nuwe voorbehoudsbepaling (iv) in:

(iv) die besoldiging van 'n werkende werkgewer vir die toepassing van hierdie klousule geag moet word die loon te wees wat vir die hoogs besoldigde werknemer in hierdie Ooreenkoms voorgeskryf word,"

6 KLOUSULE 18.—REGISTRASIE VAN WERKGEWERS

Vervang subklousule (2) deur die volgende:

"(2) Waar die werkgewer 'n vennootskap of 'n beslote korporasie is moet die inligting wat in subklousule (1) vereis word in verband met elkeen van die vennote of die lede van die beslote korporasie verstrek word asook die naam waaronder die vennootskap of die beslote korporasie sake doen tesame met 'n kopie van die vennootskapsooreenkoms of die stigtingsverklaring van die beslote korporasie na gelang van die geval."

7 KLOUSULE 19.—WERKENDE EIENAARS EN VENNOTE

Vervang klousule 19 deur die volgende:

"19 WERKENDE WERKGEWERS

Alle werkende werkgewers moet voldoen aan klousules 7 (1), 10 en 13"

8 KLOUSULE 29.—LEERLINGE

(1) In subklousule 6 (a), voeg die uitdrukking, "uitgesonderd 'n leerling graad IV" in na die woorde "'n Leerling"

(2) Voeg die volgende nuwe subklousule (6) (c) in:

"(6) (c) Die werksaamhede waarvoor 'n leerlingskap graad IV toegestaan kan word is ingedeel onder klousules 5, 8, 12, 15, 17, 18, 19, 20 en 24 van Hoofstuk II teen 'n getalsverhouding van een leerling tot 10 werknemers graad IV en/of graad IV (a): Met dien verstande dat sodanige leerlingskappe slegs toegestaan kan word ten opsigte van geheel en al nuwe werknemers wat in die Nywerheid in diens geneem word. Die leertydperk van graad IV werksaamhede is 12 maande."

(3) In subklousule (7) (a) skrap die uitdrukking "en/of graad IV" na die uitdrukking "onder graad III"

(4) Vervang subklousule (8) deur die volgende:

"(8) Die leertyd vir werksaamhede ingedeel onder klousules 2, 3, 6, 10, 13, 21 en 22 van Hoofstuk II is twee jaar."

(5) Voeg die volgende voorbehoudsbepalings in aan die einde van subklousule (10):

"(10) Met dien verstande dat geen sertifikaat of diploma uitgereik word aan 'n werknemer wat 'n leertyd graad IV voltooi het nie"

(d) is a member of a close corporation which is registered as an employer in terms of clause 18, or is liable to such registration,"

3 CLAUSE 4.—CLOSING OF ESTABLISHMENTS FOR ANNUAL HOLIDAY SHUT-DOWN

Substitute the following for clause 4:

"4 CLOSING OF ESTABLISHMENTS FOR ANNUAL HOLIDAY SHUT DOWN

No employer shall perform work or require or allow an employee to perform work and no employee shall undertake or perform work whether for remuneration or not during the following periods:

(1) 1986/1987

(a) From the evening of Friday 12 December 1986 to re-opening time on the morning of Thursday, 8 January 1987 or

(b) from the evening of Friday 19 December 1986 to re-opening time on the morning of Wednesday 14 January 1987,

(2) 1987/1988

(c) from the evening of Fridays 11 December 1987 to re-opening time on the morning of Thursday 7 January 1988 or

(d) from the evening of Friday 18 December 1987 to re-opening time on the morning of Wednesday 13 January 1988

4 CLAUSE 8.—SHORT-TIME

(1) Substitute the following for the heading of clause 8:

"8 SHORT-TIME AND RETRENCHMENT ALLOWANCE

(2) Substitute the following for subclause (2):

(2) When short time is worked the work available shall be distributed amongst the employees affected in any section and should it be found necessary to dismiss any employees the employees to be dismissed shall be paid a retrenchment allowance of one week's normal wage for each completed year of service subject to a maximum of 12 week's normal wages: Provided that no employee shall be dismissed by reason of short time until the hours of work on short-time fall below 35 per week over a continuous period of one week

5 CLAUSE 13.—HOLIDAY BONUS FUND

In subclause (1) (a) insert the following new proviso (iv):

(iv) the remuneration of a working employer for the purposes of this clause shall be deemed to be the wage prescribed for the highest paid employee in this Agreement,

6 CLAUSE 18.—REGISTRATION OF EMPLOYERS

Substitute the following for subclause (2):

"(2) Where the employer is a partnership or a close corporation information in accordance with subclause (1) regarding each of the partners or members of the close corporation as well as the title under which the partnership or close corporation operates shall be furnished, in addition to a copy of the partnership agreement or founding statement of the close corporation as the case may be

7 CLAUSE 19.—WORKING PROPRIETORS AND PARTNERS

Substitute the following for clause 19:

"19.—WORKING EMPLOYERS

All working employers shall observe the provisions of clauses 7 (1), 10 and 13."

8 CLAUSE 29.—LEARNERS

(1) In subclause (6) (a), insert the expression "excluding a Grade IV learner", after the words "A learner"

(2) Insert the following new subclause (6) (c):

"(6) (c) The operations in respect of which Grade IV learnership may be granted are classified under clauses 5, 8, 12, 15, 17, 18, 19, 20 and 24 of Chapter II in a ratio of one learner to 10 Grade IV and/or Grade IV (A) employees, Provided that such learnership may only be granted in respect of an entirely new employee engaged in the Industry. The period of learnership shall be for a period of 12 months."

(3) In subclause (7) (a), delete the expression "and/or Grade IV" after the words "under Grade III"

(4) Substitute the following for subclause (8):

"(8) The period of learnership for operations classified under clauses 2, 3, 6, 10, 13, 21 and 22 of Chapter II shall be two years."

(5) Add the following proviso to subclause (10):

"(10) Provided that no certificate or diploma shall be issued to an employee who has completed a Grade IV learnership

9 HOOFSTUK II.—MINIMUM LONE

Vervang Hoofstuk II deur die volgende:

"HOOFSTUK II.—MINIMUM LONE

1 *Loonsverhogings*

Onderstaande is die minimum weeklone voorgeskryf vir die onderskeie klasse werk hieronder opgesom. Met dien verstande dat die minimum voorgeskrewe loon by elke geleentheid ingevolge hierdie Ooreenkoms verhoog moet word. 'n Werknemer wat 'n hoer loon ontvang as die minimum voorgeskrewe loon vir die klas werk wat hy verrig moet ondanks andersluidende bepalings hierin vervat 'n verhoging ontvang wat gelyk is aan die bedrag hieronder vir daardie loonkategorie aangedui

Werklike verdienste	*Tydperk beginnende 30/6/87*
Werknemers graad I wat R118,44 of meer per week verdien	Weekloon moet verhoog word met R10 12 per week
Werknemers graad II wat R113,16 of meer per week verdien	Weekloon moet verhoog word met R10 12 per week
Werknemers graad III wat R94,69 of meer per week verdien	Weekloon moet verhoog word met R10 12 per week
Werknemers graad IV wat R79 62 of meer per week verdien	Weekloon moet verhoog word met R10 12 per week
Werknemers graad IV (A) wat R79,62 of meer per week verdien	Weekloon moet verhoog word met R12 12 per week

Werklike verdienste	*Tydperk beginnende 1/7/87*
Werknemers graad I wat R128,56 of meer per week verdien	Weekloon moet verhoog word met R11 88 per week
Werknemers graad II wat R123, 28 of meer per week verdien	Weekloon moet verhoog word met R11 88 per week
Werknemers graad III wat R104,61 of meer per week verdien	Weekloon moet verhoog word met R11 88 per week
Werknemers graad IV wat R89 74 of meer per week verdien	Weekloon moet verhoog word met R11 88 per week
Werknemers graad IV (A) wat R91,74 of meer per week verdien	Weekloon moet verhoog word met R11,88 per week

	Tydperk eindigende 30/6/87 R	*Vanaf* 1/7/87 R
2 *Werknemer graad I*	128 56	140,44

Werknemers in diens in een van of al die werksaamhede wat in die Meubelnywerheid uitgevoer word uitgesonderd die werknemers in klousules 3 tot 27 bedoel. Met dien verstande dat ten opsigte van die werksaamhede betreffende enige nuwe masjien wat ingevoer word en wat nie in klousules 3 tot en met 27 gespesifiseer word nie werknemers vir sodanige werksaamhede betaal moet word teen die minimum lone in hierdie klousule voorgeskryf tot tyd en wyl die Raad die loonskaal vasstel vir die werksaamhede wat met so 'n masjien uitgevoer word

(Die loon wat betaal word moet bepaal word volgens die aard van die werk wat op sodanige masjiene verrig word en nie volgens die tipe masjien wat gebruik word nie

Die aard van die werk wat op 'n masjien verrig word terwyl dit aan die gang is, is die beslissende faktor by die bepaling van die tipe masjien.)

A MEUBELMAKERY

3 *Werknemer graad II*	123,28	135,16

(1) Skaafwerk met die hand,

(2) beitelwerk,

(3) skraapwerk,

(4) rasperwerk,

(5) vylwerk,

(6) speekskaafwerk,

(7) saagwerk met die hand,

(8) verstekke met die hand sny,

(9) spykers en/of paneelspykers en/of kramme inslaan en/of inpons en/of inskiet

4 *Werknemer graad III*	104,61	116,49

(1) Glas in rame vassit (uitgesonderd skroefwerk),

(2) verstekke van profiellyswerk met die guillotine sny,

(3) laaie se onderkante vaskram

9 CHAPTER II.—MINIMUM WAGES

Substitute the following for Chapter II:

CHAPTER II.—MINIMUM WAGES

1 *Wage increases*

The following shall be the minimum weekly wages prescribed for the respective classes of work enumerated hereunder: Provided that on each occasion the minimum prescribed rate has to be increased in terms of this Agreement. Employees who are in receipt of a wage in excess of the minimum prescribed rate for the class of work performed by him shall, notwithstanding anything to the contrary herein contained, receive an increment equivalent to the amount shown hereunder for that wage category

Actual earnings	*For period ending 30/6/87*
Grade I employees earning R118 44 per week or more	Weekly wage to be increased by R10 12
Grade II employees earning R113 16 per week or more	Weekly wage to be increased by R10 12
Grade III employees earning R94 69 per week or more	Weekly wage to be increased by R10 12
Grade IV employees earning R79 62 per week or more	Weekly wage to be increased by R10 12
Grade IV (A) employees earning R79 62 per week or more	Weekly wage to be increased by R12 12

Actual earnings	*Period commencing 1/7/87*
Grade I employees earning R128 56 per week or more	Weekly wage to be increased by R11,88
Grade II employees earning R123 28 per week or more	Weekly wage to be increased by R11 88
Grade III employees earning R104 61 per week or more	Weekly wage to be increased by R11 88
Grade IV employees earning R89 74 per week or more	Weekly wage to be increased by R11 88
Grade IV (A) employees earning R91 74 per week or more	Weekly wage to be increased by R11 88

	For period ending 30/6/87 R	*From* 1/7/87 R
2 *Grade I employee*	128,56	140,44

Employees employed in any or all of the operations performed in the Furniture Manufacturing Industry with the exception of the employees referred to in clauses 3 to 27: Provided that in respect of the operations relating to any new machine introduced and not specified in clauses 3 to 27 inclusive employees shall be paid for such operations at the minimum wage prescribed in this clause until such time as the Council determines the wages rate for the operations performed on such machine

(Payment of wages shall be determined by reference to the nature of work performed on such machines without reference to the type of machine used

The nature of work performed on a machine whilst in operation shall be the deciding factor in determining the type of the machine.)

A FURNITURE MAKING

3 *Grade II employee*	123 28	135,16

(1) Planing by hand,

(2) chiselling,

(3) scraping,

(4) rasping,

(5) filing,

(6) spokeshaving,

(7) sawing by hand,

(8) cutting mitres by hand,

(9) knocking and/or punching and/or shooting in nails and/or panel pins and/or staples

4 *Grade III employee*	104,61	116,49

(1) Securing glass in frames (other than screwing operations),

(2) cutting mitres of moulded beadings by guillotine,

(3) stapling of drawer bottoms

	Tydperk eindigende 30/6/87 R	Vanaf 1/7/87 R
5 *Werknemer graad IV*	89 74	101,62

(1) Proppe en/of splinters invoeg en die oorskiet verwyder;

(2) alle vasboutwerk met inbegrip van die vasbout van toebehore en die vasskroef van handvatsels in vooraf geboorde gate uitgesonderd die monteer van meubels en/of meubelonderdele deur dit vas te bout en/of aanmekaar te sit behalwe die werksaamhede in subklousule (3) bedoel

(3) vassit van die toebehore van stangsokke en/of slagplaatjies en/of beslae en/of sluitpenne

(4) leigate vir boute spykers, skroewe en/of plastiekinvoegsels met die hand of 'n handwerktuig boor

(5) tappenne maak en/of spits maak,

(6) soliede timmerhout buig

(7) enige soort gelymde blok vassit (nie vasskroef of vasspyker nie),

(8) sokke vir rolwieletjies aanbring

(9) rolwieletjies en/of koepels en/of katelstyle, hangerboute en -plate aanbring

(10) hoekblokke in stoele inslaan en/of vassit (slegs van die tipe bekend as Kitchen Bentwood', Globe , Standard , Sturdy en Super) Met dien verstande dat sodanige hoekblokke nie vasgespyker vasgepen of vasgeskroef word nie

(11) soliede timmerhout in 'n sagmaakmengsel in dompel

(12) lym meng en/of massameet en/of berei,

(13) tappenne inslaan,

(14) lym en/of lymverhardingsmiddels aanbring,

(15) skroewe insit in gate wat vooraf geboor is ter voorbereiding vir skroefwerk

(16) kartelkramme invoeg in die raammonteringsproses

(17) help met die aanmekaarsit of montering van meubeldele wat vasgeklem of vasgeklamp moet word. Met dien verstande dat die getalsverhouding van sodanige assistente tot werknemers wat die lone ontvang wat in klousule 2 van hierdie Hoofstuk voorgeskryf word en wat klem- of klampwerk doen, hoogstens vier tot een mag wees en dat sodanige assistente in die afwesigheid van voornoemde werknemer wat die loon ontvang wat in klousule 2 van hierdie Hoofstuk voorgeskryf word nie geag word assistente te wees nie Voorts met dien verstande dat die assistente nie toegelaat mag word om gate te boor nie,

(18) glas in vooraf gemaakte groewe inlaat,

(19) slegs met die hand selfheg- en/of kleefstroke vassit ten einde bordkante te bedek,

(20) moerbedekkings, beslagringe en/of skuifdoppe aanbring,

(21) skroefboute in pootjies of pote insit,

(22) proppe inslaan in gate wat vooraf geboor is om bevestigingswerk te bedek,

(23) met leipatroon, patroon of setmaat uitmerk,

(24) spieëls deur middel van kleefband vasheg,

(25) sierlyste in voorafbereide groewe insit (nie op panele nie),

B MEUBELMASJIENWERK

6 *Werknemer graad II*	123,28	135,16

Een of meer van ondergenoemde masjiene stel en/of bedien en/of werk daarmee verrig:

(1) Dikteskaafmasjien (enige skaafwerk behalwe reiskaafwerk),

(2) skaaflysmasjien met vier en/of vyf beitels,

(3) 'n outomatiese kopieermasjien of kopieerdraaibank,

(4) 'n meersny-en-sneewerkmasjien,

(5) 'n kloofsaag,

	For period ending 30/6/87 R	From 1/7/87 R
5 *Grade IV employee*	89,74	101,62

(1) Inserting plugs and/or slivers and removing excess

(2) all bolting including the bolting of fittings and screwing of handles into pre-drilled holes, excluding the assembling of furniture and/or furniture parts by means of bolting and/or fitting other than the operations referred to in subclause (3),

(3) affixing fittings of rod sockets and/or striking plates and/or escutcheons and/or self studs,

(4) drilling guide holes for bolts nails, screws and/ or plastic inserts by hand or hand tool

(5) making and/or pointing of dowels,

(6) bending solid timber;

(7) affixing of any kind of glue block (not screwed or nailed down)

(8) affixing sockets for casters,

(9) affixing of casters and/or domes and/or bed irons hanger bolts and plates

(10) knocking in and/or securing of corner blocks to chairs (only of the type known as Kitchen Bentwood Globe 'Standard' Sturdy and Super) Provided that such corner blocks shall not be nailed pinned or screwed,

(11) dipping of solid timber into softening solution

(12) mixing and/or mass-measuring and/or preparing glue

(13) knocking in dowels,

(14) applying glue and/or glue hardeners,

(15) inserting screws into prebored holes preparatory to screwing,

(16) inserting corrugated fasteners in the process of assembling frames,

(17) assisting in the putting together or assembling of furniture parts which are to be cramped or clamped Provided that the ratio of such assistants to employees in receipt of wages prescribed in clause 2 of this Chapter who are engaged in cramping shall not exceed four to one and that such assistants shall not be deemed to be assistants in the absence of the aforementioned employee who is in receipt of the wage prescribed in clause 2 of this Chapter Provided further that the assistants shall not be permitted to bore holes,

(18) dropping glass into premade grooves,

(19) affixing by hand only of selfretaining and/or gummed strips for the purpose of covering board edges,

(20) affixing of nut covers ferrules and/or glides,

(21) inserting of screw bolts into stumps or legs,

(22) knocking in of plugs into pre-bored holes to cover any fixing devices,

(23) marking out by template pattern or jigs,

(24) attaching mirrors by means of adhesive tape,

(25) inserting ornamental beading into prepared grooves (not on panels)

B FURNITURE MACHINING

6 *Grade II employee*	123,28	135,16

Setting up and/or operating and/or performing work with any one or more of the following machines

(1) Thicknesser (any planing other than jointing-planing),

(2) four and/or five cutter planer moulder machine,

(3) automatic copying machine or copying lathe,

(4) multiple cutter carving machine,

(5) rip saw,

	Tydperk eindigende 30/6/87 R	Vanaf 1/7/87 R

(6) 'n kopieerdraaibank,

(7) 'n dwarssaag,

(8) 'n bandsaag,

(9) 'n vlakslyper;

(10) 'n reguitrandskaafmasjien,

(11) 'n swawelstertmasjien

(Die loon wat betaal word, moet bepaal word volgens die aard van die werk wat op sodanige masjiene verrig word en nie volgens die tipe masjien wat gebruik word nie

Die aard van die werk wat op 'n masjien verrig word terwyl dit aan die gang is is die beslissende faktor by die bepaling van die tipe masjien)

7 *Werknemer graad III*	104 61	116,49

Een of meer van ondergenoemde masjiene stel en/of bedien en/of werk daarmee verrig

(1) 'n Uitsnysaag,

(2) 'n boormasjien,

(3) 'n skarnieruitholmasjien,

(4) 'n tapinvoegmasjien,

(5) 'n bandskuurmasjien

(6) 'n tapgatmasjien,

(7) 'n tromskuurmasjien,

(8) 'n guillotine,

(9) 'n tolskuur- of suiermasjien

(10) 'n skyfskuur en/of truskuurwentelmasjien,

(11) 'n bladklamp,

(12) 'n kantfineermasjien insluitende slegs kantfineerwerk, afwerking en/of skuurwerk

(Die loon wat betaal word, moet bepaal word volgens die aard van die werk wat op sodanige masjiene verrig word en nie volgens die tipe masjien wat gebruik word nie

Die aard van die werk wat verrig word op 'n masjien terwyl dit aan die gang is, is die beslissende faktor by die bepaling van die tipe masjien)

8 *Werknemer graad IV*	89,74	101,62

Een of meer van ondergenoemde masjiene stel en/of bedien en/of werk daarmee verrig.

(1) 'n Houtskroefdraadsny- en/of houtbinneskroef-draadsnymasjien,

(2) 'n tappersmasjien,

(3) 'n tapplatdrukmasjien (uitgesonderd klemwerk),

(4) skuurpapierbande maak en/of aanmekaar heg vir 'n bandskuurmasjien,

(5) skuurpapierskywe maak en/of aanheg,

(6) skuurpapier sny vir 'n skuurmasjien,

(7) skuurpapier aanbring op tolle en/of skuurmasjiene,

(8) setmate met materiaal laai en ontlaai ter voorbereiding vir masjinering Met dien verstande dat dié setmate nie gebruik word vir die klem van meubeldele nie,

(9) masjiene en/of motorvoertuie smeer en/of olie,

(Die loon wat betaal word, moet bepaal word volgens die aard van die werk wat op sodanige masjiene verrig word en nie volgens die tipe masjien wat gebruik word nie

Die aard van die werk wat op 'n masjien verrig word terwyl dit aan die gang is is die beslissende faktor by die bepaling van die tipe masjien)

C SAAGHERSTELWERK INSTANDHOUDING EN HERSTEL VAN MASJIENE

9 *Werknemer graad III*	104,61	116,49

Assistent vir die saagtersteller by die herstel van sae, beitels lemme en messe, nie in sy permanente afwesigheid nie

	For period ending 30/6/87 R	From 1/7/87 R

(6) copying lathe,

(7) cross-cut saw

(8) bandsaw,

(9) surfacer

(10) straight line edger;

(11) dovetailing machine

(Payment of wages shall be determined by reference to the nature of work performed on such machines without reference to the type of machine used

The nature of work performed on a machine whilst in operation shall be the deciding factor in determining the type of the machine)

7 *Grade III employee*	104 61	116,49

Setting up and/or operating and/or performing work with any one or more of the following machines

(1) Jig saw

(2) boring machine,

(3) hinge recessing machine,

(4) dowel inserting machine,

(5) belt-sandpapering machine,

(6) mortice machine,

(7) drum sanding machine,

(8) guillotine,

(9) bobbin sandpapering or reciprocating machine,

(10) disc sanding and/or brushback, orbital sanders,

(11) leafcramp

(12) edge veneering machine, including edge veneering trimming and/or sanding operations only

(Payment of wages shall be determined by reference to the nature of work performed on such machines without reference to the type of machine used

The nature of work performed on a machine whilst in operation shall be the deciding factor in determining the type of the machine)

8 *Grade IV employee*	89,74	101 62

Setting up and/or operating and/or performing work with any one or more of the following machines

(1) Wood threading and/or wood tapping machine

(2) dowel squeezing machine,

(3) tennon squashing machine (other than cramping operations),

(4) making and/or joining sandpaper belts for belt-sandpapering machine,

(5) making and/or affixing discs of sandpaper;

(6) cutting sandpaper for sandpapering machine,

(7) affixing sandpaper to bobbins and/or sanding machines,

(8) the loading and unloading of jigs with material in preparation for machining Provided that such jigs are not used for cramping of furniture parts,

(9) greasing and/or oiling machines and/or motor vehicles

(Payment of wages shall be determined by reference to the nature of work performed on such machines without reference to the type of machined used

The nature of work performed on a machine whilst in operation shall be the deciding factor in determining the type of the machine)

C SAW DOCTORING MACHINE MAINTENANCE AND MACHINE REPAIRING

9 *Grade III employee*	104,61	116,49

Assistant to the saw doctor in doctoring saws, cutters, blades and knives, not in his permanent absence

D POLEERAFDELING

	Tydperk eindigende 30/6/87 R	Vanaf 1/7/87 R
10 *Werknemer graad II*	123,28	135,16

(1) Spuitverf van onderlaag

(2) 'n ontwerp produseer deur middel van 'n stelsil en/of syskerm

(3) veroudering (behalwe met die hand)

11 *Werknemer graad III* Veroudering met die hand	104,61	116,49
12 *Werknemer graad IV*	89,74	101 62

(1) Kleuterversies en/of kleutertekeninge op meubels oordruk

(2) 'n ontwerp produseer deur middel van 'n oordruk,

(3) beitse en/of kleurstowwe meng

(4) gepoleerde oppervlakke met die hand of masjien gestroop

(5) gate en/of krake vul,

(6) was aansit bleik beits en olie,

(7) opknapwerk by die op- en/of aflaaiplek,

(8) die rande van lamelbord of laaghout verf en/of invul

(9) deure en/of toebehore van meubelstukke verwyder en terugplaas om dit te poleer en/of te herstel,

(10) vlokwol op kleefoppervlakte versprei en die kleefstof vir vlokwol slegs vir die binnekante van laaie aansit

(11) metaalspuitverfwerk

(12) in emalje verf of lakvernis doop,

(13) oplossings deursyg,

(14) spuitapparaat skoonmaak,

(15) vloeibestrykmasjiene of soortgelyke toestelle voer en/of ontlaai en/of bedien, maar uitgesonderd die stel daarvan,

(16) met die hand opvryf of skoon vee en/of was

E STOFFEERAFDELING

13 *Werknemer graad II*	123,28	135,16

(1) 'n Fondament vir kronkelvere maak en/of aanbring met ander materiaal as hout- en/of metaallatte,

(2) vere en/of veereenhede aan fondamente vassit,

(3) vere in posisie vaswoel,

(4) raamveer- bedbasis- of ateljeerusbanke stoffeer;

(5) kopplanke stoffeer, uitgesonderd diamantknope aanwerk

(6) los stoele, eetkamer- en/of kombuisstoele stoffeer

Vir die toepassing van hierdie klousule beteken 'n veereenheid 'n onafhanklik montasie van kronkelvere of aaneenlopende vere wat so inmekaar gevleg, aanmekaar geheg of so gemaak is dat 'n veerfondament en/of veerbinnekant verskaf vir gebruik in 'n binneveerkussing binneveersitplek en/of binneveersittoestel

14 *Werknemer graad III*	104,61	116,49

(1) Gimp en/of franjes vasryg en/of vaskram,

(2) knope aanwerk behalwe aan los kussings (uitgesonderd diamantknope aanwerk)

(3) afmerk ter voorbereiding vir die vasheg van gimp en/of franjes,

(4) fondamente vir kronkelveereenhede maak en/of aanbring met hout- en/of metaallatte,

(5) deurknoopwerk

15 *Werknemer graad IV*	89,74	101,62

(1) Heliese vere en/of ketting en/of hoepelyster aanheg wat uitsluitlik as ondersteuning vir los stoelkussings moet dien,

(2) rubberstroke aanbring wat uitsluitlik as ondersteuning vir los stoelkussings dien,

D POLISHING DEPARTMENT

	For period ending 30/6/87 R	From 1/7/87 R
10 *Grade II employee*	123,28	135,16

(1) Spraying undercoating,

(2) producing a design by means of a stencil and/or silk screen

(3) ageing (other than by hand)

11 *Grade III employee* Ageing by hand	104,61	116,49
12 *Grade IV employee*	89 74	101,62

(1) Transferring nursery rhymes and/or nursery characters on to furniture,

(2) producing a design by means of a transfer;

(3) mixing stains and/or colouring materials,

(4) stripping of polished surface by hand or machine,

(5) filling in holes and/or crevices,

(6) waxing, bleaching staining and oiling,

(7) touching up at the point of loading and/or off loading,

(8) painting and/or filling in of edges of laminated board or of plywood

(9) removing and replacing doors and/or fittings from articles of furniture for the purpose of polishing and/or repairing

(10) spreading flock on adhesive surfaces and the application of the adhesive for flock for the insides of drawers only

(11) spraying metal

(12) dipping in enamel paint of lacquer;

(13) straining solutions

(14) cleaning spraying apparatus,

(15) feeding and/or off loading and/or operating of flow-coater machines or similar plant but excluding the setting up,

(16) ragging or wiping and/or washing by hand

E UPHOLSTERY DEPARTMENT

13 *Grade II employee*	123,28	135,16

(1) Making and/or affixing a foundation for coil springs with any material other than wooden and/or metal laths,

(2) securing springs and/or spring units to foundations

(3) lashing springs in position,

(4) upholstering box spring, bed base or studio couches,

(5) upholstering headboards other than diamond buttoning,

(6) upholstering occasional chairs, diningroom and/or kitchen chairs

For the purposes of this clause, a spring unit means an independent assembly of coil or continuous springs so interconnected associated or constructed as to provide a spring foundation and/or interior for use in an innerspring cushion, seat and/or seating device

14 *Grade III employee*	104,61	116,49

(1) Tacking and/or stapling gimp and/or fringes,

(2) buttoning, excluding buttoning of loose cushions (other then diamond buttoning),

(3) marking off preparatory to the securing of gimp and/or gringes,

(4) making and/or affixing foundations for coil spring units with wood and/or metal laths,

(5) tufting

15 *Grade IV employee*	89,74	101,62

(1) Affixing helical springs and/or chain and/or hoop iron for the sole purpose of serving as a support for loose cushions,

(2) affixing rubber strips for the sole purpose of serving as a support for loose cushions,

	Tydperk eindigende 30/6/87 R	Vanaf 1/7/87 R

(3) heliese vere en/of ketting en/of sigsag- of nie sakveerwerk aan rame vir stoffeerwerk aanheg

(4) hoepelyster en/of seilband en/of plaasvervangende materiaal vir seilband aan los sitplekke en/of rugleunings vir eetkamerstoele aanheg

(5) die herveriing van veerkante met die sigsag en/of nie saktipe vere aan rame vir stoffeerwerk, met inbegrip van die aanheg van samestellende dele, maar uitgesonderd die vasryg en/of aanheg van goiingsak en/of sisal en/of plaasvervangende materiaal vir goiingsak of sisal

(6) laaghout en/of geperste bord aan los sitplekke en rugleunings van stoele vasspyker en/of met hegspykers vasslaan vir stoffeerwerk,

(7) kussinkies aan los veerkussingeenhede heg

(8) platforms sny vir die bedekking van heliese vere

(9) 'n pluis en/of baaloopmaak- en/of baalbreekmasjien bedien en/of werk daarmee verrig

(10) binneslope van kussings en/of oortreksels en/of peule met die hand of 'n masjien opstop,

(11) vulsel in touvorm losdraai,

(12) knope en/of klossies maak,

(13) die stoffeerder help deur oortreksel vas te hou

(14) bandverster- en/of kraallyswerk maak,

(15) klaar gesnyde materiaal sorteer nadat dit by die grootmaat uitgesny is

(16) klaar gemaakte stoelkussings vir aflewering nagaan en/of gereedmaak,

(17) skuimrubber en/of dergelike stowwe volgens grootte of vorm sny

(18) skuimrubber en/of dergelike stowwe aan bedekkingsmateriaal vaslym slegs vir deurstikwerk,

(19) rubberstroke sny,

(20) skuimrubber en/of dergelike stowwe aanmekaar heg,

(21) stroke tekstiel- en/of sintetiese stof aan skuimrubber en/of dergelike stowwe vasheg, maar uitdruklik uitgesonderd die vasheg daaraan van oortrekmateriaal nl Fly'

(22) grootmaatrolle stoffeermateriaal van alle soorte van selfkant tot selfkant met die hand opbreek en/of opsny

(23) karton in die stoffeerseksie met die hand en/of 'n masjien sny,

(24) 'n skuimmaalmasjien bedien,

(25) die snyer help om lae materiaallengtes neer te lê,

(26) van stowwe met 'n handmasjien reguit sny vir die onderkante of fondament bo-oor die vere (linne en goiingsak)

(27) patrone vir die rugleunings van stoele of rusbanke op alle stowwe aftrek (herhalend)

(28) onderkante van gestoffeerde artikels vasslaan

(29) meubels stroop vir herstelwerk

(30) rubber of rubbersurrogate aan kaal rame heg vir stoffeerwerk (uitgesonderd die vaswerk, vaskram of vasslaan daarvan)

(31) karton of voeringmateriaal aan kaal rame heg vir stoffeerwerk,

(32) rugleunings van karton, kaliko of goiingsak slegs aan gestoffeerde kopstukke heg

F FINEERAFDELING

16 *Werknemer graad III*	104,61	116,49

(1) Fineerlaswerk verrig uitgesonderd op 'n vlakskaafmasjien,

(2) inlegsels maak en/of invoeg (uitgesonderd die inle van fineerwerk van artistieke ontwerp en vierendeling van fineerwerk),

(3) rugkant- en nie-aanpasfineerwerk sny

	For period ending 30/6/87 R	From 1/7/87 R

(3) affixing helical springs and/or chains and/or zig-zag or no-sag springs to frames for upholstery,

(4) affixing hoop iron and/or webbing and/or webbing substitutes to loose seats and/or backs for diningroom chairs

(5) the springing up of spring edges with zig-zag and/or no-sag type of spring to frames for upholstery, including the attachment of any component part but excluding the tacking on and/or securing of hessian and/or sisal and/or substitutes for hesian or sisal,

(6) nailing and/or tacking plywood and/or compressed board to loose seats and backs of chairs for upholstery

(7) securing pads to unaffixed spring cushion units,

(8) cutting of platforms used for covering helical springs,

(9) operating a teasing and/or bale opening and/or bale breaking machine and/or performing any work therewith

(10) filling cushion cases and/or slips and/or bolsters by hand or machine

(11) unwinding filling materials in rope form,

(12) making buttons and/or tufts

(13) assisting upholsterer in holding cover

(14) making banding and/or beading,

(15) sorting of ready-cut materials after bulk cutting

(16) regulating and/or preparing completed cushions for delivery,

(17) cutting foam rubber and/or similar substances to size or shape,

(18) glueing of foam rubber and/or similar substances to covering material for quilting only

(19) cutting rubber strips,

(20) joining together foam rubber and/or similar substances

(21) affixing textile and/or synthetic strips to foam rubber and/or similar substances but expressly excluding the affixing of covering material thereto viz Fly

(22) breaking up and/or cutting up by hand of bulk rolls of upholstery materials of all kinds from selfedge to selfedge

(23) cutting cardboard in upholstery section by hand and/or machine

(24) operating foam mincing machine

(25) assisting cutter in putting down layers of lengths of cloth

(26) straight cutting of materials by hand machine for bottoms or underseating over springs (linen and hessian),

(27) marking out pattern for chair or settee backs on all materials (repetitive marking)

(28) tacking on bottoms of upholstered articles,

(29) stripping of furniture for recovering

(30) affixing of rubber or substitutes to bare frames for upholstery (excluding the sewing stapling or tacking thereof),

(31) affixing of cardboard or lining materials to bare frames for upholstery,

(32) affixing of cardboard calico or hessian backs to upholstered headboards only

F VENEER DEPARTMENT

16 *Grade III employee*	104,61	116,49

(1) Jointing veneer other than on surface planer;

(2) making and/or inserting inlays (excluding inlaying of veneers with an artistic design and quartering veneers)

(3) cutting backing and non-match veneers

	Tydperk eindigende 30/6/87 R	Vanaf 1/7/87 R
17 *Werknemer graad IV*	89,74	101,62

(1) Kantfineerwerk met die hand,
(2) perse van enige soort bedien en/of versorg en/of laai en/of ontlaai
(3) gom en/of lym en/of band en/of papier afwas en/of verwyder
(4) dele opstapel na perswerk
(5) gom en gomverharders aanstryk en/of smeer
(6) oortollige fineer afwerk nadat dit vasgelym is (met 'n handwerktuig),
(7) laswerk sonder bande met 'n masjien
(8) fineerhout en/of laaghout en/of hardebord in posisie vasbind vaskram en/of vasspyker

G MEUBELHOUTSNYAFDELING

18 *Werknemer graad IV*	89 74	101,62

(1) Stippelponswerk verrig
(2) kraallyste aan borde vaslym en/of vasheg vir houtsnywerk
(3) bestanddele vir vormwerk meng
(4) versiersels fatsoeneer (uitgesonderd die vassit daarvan)

H VERPAKKING VAN MEUBELS

19 *Werknemer graad IV*	89 74	101,62

(1) Verstrekende stroke hout aan voltooide meubels aanbring vir die doel van verpakking of vervoer
(2) verpakkingskratte en/of kiste vir meubels en/of dele daarvan maak
(3) meubels en/of dele daarvan in goiingsak verpak
(4) meubles en/of dele daarvan in kartondose en/of kartonhouers en/of plastiekvelle verpak
(5) kartondose en/of kartonhouers toemaak
(6) meubels en/of dele daarvan in papier en/of karton en/of plastiekvelle toedraai,
(7) toebehore en/of dele van meubelstukke verwyder om vervoer en/of verpakking te vergemaklik,
(8) toebehore en/of dele van meubelstukke wat vooraf verwyder is om die vervoer en/of verpakking daarvan te vergemaklik terugsit

I ALGEMENE WERKSAAMHEDE

20 *Werknemer graad IV*	89,74	101,62

(1) Rottangvlegwerk,
(2) rottangsitplekke aanbring
(3) riempiewerk
(4) 'n pluismasjien stel en/of bedien en/of werk daarmee verrig
(5) kussings vir veereenhede maak en/of sny
(6) werknemers in diens in verband met enigeen van die prosesse by die vervaardiging van veerbinnekante en/of die vervaardiging van hul samestellende dele,
(7) veervervaardigingsmasjiene stel en/of bedien,
(8) luidsprekerdoeke en bekleedsel aan relings deure panele en borde vir radiokabinette aanbring,
(9) oortollige lym van meubels of dele daarvan verwyder
(10) metaalstawe en/of skarniere en/of metaalbuise en/of vere en/of hoepelyster en/of draad en/of metaalstroke sny,
(11) klinkwerk en/of skroefdraad in ysterboute en/of stawe sny
(12) hoepelyster reguit maak
(13) gate in metaal pons,
(14) metaalstawe skoonmaak
(15) metaaldele buig, boor en/of monteer;

	For period ending 30/6/87 R	From 1/7/87 R
17 *Grade IV employee*	89,74	101,62

(1) Edge veneering by hand,
(2) operating presses and/or attending and/or loading and/or unloading of presses of any kind,
(3) washing off and/or removing gum and/or glue and/ or tapes and/or paper
(4) stacking parts after pressing
(5) applying and/or spreading glue and glue hardeners,
(6) trimming away excess veneer after affixing of veneer (by hand tool)
(7) tapeless jointing by machine,
(8) taping and/or stapling and/or tacking veneers and/or plywood and/or hardboard into position for pressing

G FURNITURE CARVING DEPARTMENT

18 *Grade IV employee*	89,74	101,62

(1) Stipple punching
(2) glueing and/or affixing beading to board for carving
(3) mixing ingredients for moulding
(4) making moulded embellishments (excluding the affixing thereof)

H FURNITURE PACKING

19 *Grade IV employee*	89 74	101,62

(1) Affixing strengthening woodstrips to completed furniture for the purpose of packing or transporting
(2) making packing crates and/or cases for furniture and/or parts thereof
(3) packing furniture and/or furniture parts in hessian
(4) packing furniture and/or furniture parts in car tons and/or cardboard containers and/or plastic sheeting
(5) closing cartons and/or cardboard containers,
(6) wrapping furniture and/or furniture parts in paper and/or cardboard and/or plastic sheeting,
(7) removal of fittings and/or parts from articles of furniture to facilitate transportation and/or packing,
(8) replacement of fittings and/or parts previously removed to facilitate their transportation and/or packing

I GENERAL OPERATIONS

20 *Grade IV employee*	89,74	101 62

(1) Weaving of cane,
(2) affixing cane seats
(3) riempie work
(4) setting up and/or operating teasing machine and/or performing work therewith,
(5) making and/or cutting pads for spring units,
(6) employees employed in connection with any of the processes in the construction of spring interiors and/or the manufacture of their component parts,
(7) setting up and/or operating springmaking machines
(8) affixing speaker cloths and fabrics to rails, doors panels and boards for radio cabinets,
(9) removing excess glue spread on furniture or parts thereof,
(10) cutting metal rods and/or hinges and/or metal tubes and/or metal springs and/or hoop iron and/or wire and/or metal strips
(11) riveting and/or making threads on iron bolts and/or rods
(12) straightening hoop iron,
(13) punching holes in metal,
(14) cleaning metal rods,
(15) bending drilling and/or assembling metal parts

(16) vere baal,
(17) vere vir preservering in 'n oplossing dompel,
(18) die stofsakke van skuurmasjiene skoonmaak,
(19) vulmateriaal ontbaal en/of uitklop,
(20) vulmateriaal met die hand uitpluis
(21) persele skoonmaak en/of uitvee,
(22) masjinerie en/of uitrusting en/of gereedskap en/of werktuie en/of saaglemme skoonmaak,
(23) materiaal op- en/of aflaai,
(24) goedere met 'n stootkar vervoer;
(25) goedere met 'n trapfiets vervoer;
(26) gemeganiseerde hanteeruitrusting bedien,
(27) grondstowwe uitpak,
(28) stoomketels en/of verbranders en/of oonde bedien,
(29) droogoonde laai en/of ontlaai en/of bedien,
(30) drankies berei en/of bedien,
(31) eet- en/of drinkgerei was,
(32) timmerhout vir preservering behandel,
(33) masjiendryfbande las,
(34) massameetwerk,
(35) meubels uitmekaarhaal,
(36) goedere dra en/of aandra,
(37) voertuie op- en/of aflaai,
(38) 'n masjienwerker help met die hantering van grondstowwe voor en na masjienwerk,
(39) assistent vir 'n versendingsklerk, stoorman of tydbeampte,
(40) afwitwerk,
(41) knope maak,
(42) boodskappe en/of briewe aflewer;
(43) met 'n borsel skoonmaak,
(44) los werknemer R2,23 per uur en R2,50 per uur vanaf 1/7/87

J STOFFEERNAAIERS- EN/OF NAAISTERSWERK

	Tydperk eindigende 30/6/87 R	Vanaf 1/7/87 R
21 *Werknemer graad III*	104,61	116,49

(1) Meubeloortreksels stik,
(2) alle hegstukke vaswerk en/of aanhaak,
(3) kussingslope en/of -oortreksels stik,
(4) donskombersoortreksels maak en/of stik,
(5) omboorsels maak,
(6) glipsteekwerk en/of gimp en/of franjes en/of materiaal aanwerk,
(7) gimp franjes, galon en/of plooiwerk afmerk en/of vaswerk,
(8) knope aan los kussings aanwerk, uitgesonderd diamantknoopwerk

K GORDYNWERK

22 *Wernemer graad II*	123,28	135 16

Gordyne met 'n roede of meetband en/of meet

23 *Werknemer graad III*	104,61	116 49

(1) Gordyne stik en sny,
(2) glipsteekwerk aan gordynkapagterkante en franjes

24 *Werknemer graad IV*	89,74	101,62

(1) Strykwerk,
(2) alle soorte gordynhakies insteek en/of aanstik;
(3) afwerking van gordyne (slegs met die hand knoop waar blindesteekmasjien die werk voltooi het),
(4) die kante van los gevoerde gordyne vasryg,
(5) bandstroke aan gordyne werk,
(6) assistent vir 'n gordynpasser (slegs as die passer by is)

	For period ending 30/6/87 R	From 1/7/87 R

(16) baling springs
(17) dipping springs into a solution for the purpose of preservation
(18) cleaning sandpapering machine dustbags,
(19) unbaling and/or beating filling material
(20) teasing filling materials by hand,
(21) cleaning and/or sweeping premises,
(22) cleaning machinery and/or plants and/or tools and/or utensils and/or saw blades,
(23) loading and/or unloading materials,
(24) transportation of goods by handcart,
(25) transportation of goods by pedal cycle,
(26) operation of mechanised handling equipment
(27) unpacking raw materials,
(28) attending boilers and/or incinerators and/or ovens
(29) loading and/or unloading and/or attending kilns,
(30) making and/or serving beverages
(31) washing-up eating and/or drinking utensils,
(32) treating of timber for preservation,
(33) joining machine driving belts
(34) mass measuring
(35) stripping furniture,
(36) fetching and/or carrying
(37) loading and/or unloading vehicles,
(38) assisting machinist in handling raw materials before and after machining,
(39) assistant to despatch clerk storeman or timekeeper
(40) limewashing,
(41) making of buttons
(42) delivering messages and/or letters,
(43) cleaning with a brush
(44) casual employees R2 23 per hour and R2,50 per hour from 1/7/87

J UPHOLSTERY SEAMSTERS AND/OR SEAMSTRESSES WORK

21 *Grade III employee*	104,61	116,49

(1) Sewing of furniture covers
(2) sewing on and/or hooking on of any attachments,
(3) sewing of cushion cases and/or cushion slips,
(4) making and/or sewing of quilted covers,
(5) making piping
(6) slip-stitching and/or sewing gimp and/or fringes and/or materials
(7) marking off and/or affixing gimp, fringes, braid and/or pleating
(8) buttoning of loose cushions other than diamond buttoning

K CURTAIN MAKING

22 *Grade II employee*	123,28	135,16

Fitting and/or measuring of curtains by rod or tape

23 *Grade III employee*	104,61	116,49

(1) Sewing and cutting of curtains,
(2) Slip-stitching pelmet backs and fringes

24 *Grade IV employee*	89,74	101,62

(1) Ironing,
(2) Inserting and/or stitching of all types of curtain hooks,
(3) finishing off of curtains (only to tie knot by hand where blind stitch machine has completed the work),
(4) tacking sides of loose-lined curtains,
(5) taping out of curtain
(6) assistant to curtain fitter (only in the presence of the fitter)

L DIVERSE—HULPWERKSAAMHEDE

	Tydperk eindigende 30/6/87	Vanaf 1/7/87
	R	R
25 *Werknemer graad II*	123 28	135 16
(1) Versendingsklerk		
(2) stoorman		
(3) tydbeampte		
(4) sweiswerk uitgesonderd puntsweiswerk		
(5) sandstraling en/of branding		
26 *Werknemer graad III*	104 61	116 49
(1) Oppasser		
(2) wag,		
(3) puntsweiser		
(4) doeksweiswerk		

M HANDSKUURWERKSAAMHEDE ALLE DEPARTEMENTE

27 *Werknemer graad IV (A)*	91 74	103 62

(1) Rasper en/of vyl en/of skraapwerk verrig (slegs houtsnywerksaamhede)

(2) skuurwerk met die hand of n draagbare masjien verrig,

(3) met n skuurpasta en/of skuurvloeistof vryf deur middel van n masjien en/of meganiese toestel

(4) los uitstekende spykers penne en/of kramme wegpons Met dien verstande dat dit slegs gedoen word deur persone wat met die hand skuurwerk verrig en sodanige items wat nie gepons is nie gedurende die skuurproses in die skuurafdeling vind,

(5) n masjien vir die skuur van gedraaide dele

(6) vernuwing met die hand of n masjien en/of meganiese toestel en met n ander stof as n skuurpasta en/of skuurvloeistof

N VOORMANNE ONDERBASE TOESIGHOUERS EN ONDERBASE GRAAD IV

(1) Voormanne en toesighouers	158 56	170 44
(2) Onderbase	148 56	160 44
(3) Onderbase graad IV	99 74	110 62

O LEERLINGE

Leerlinge gemagtig ingevolge klousule 29 (1) van Hoofstuk I van hierdie Ooreenkoms wat die werk van naaiers en/of naaisters onder werknemers graad III leer en leerlinge onder werknemers graad I en/of graad II moet ondanks die minimum loon wat gespesifiseer word op die sertifikaat wat ingevolge klousule 29 (3) en (4) van Hoofstuk I deur die Raad uitgereik word minstens die volgende loon per week betaal word

Gedurende die eerste ses maande van die leertyd 80 persent

gedurende die tweede ses maande van die leertyd 85 persent,

gedurende die derde ses maande van die leertyd 90 persent

gedurende die vierde ses maande van die leertyd 95 persent

van die minimum voorgeskrewe loon vir werknemers graad I, graad II of graad III na gelang van die geval

(2) Die minimum weeklikse loon betaalbaar aan n leerling graad IV soos gemagtig kragtens klousule 29 (5) (d) van Hoofstuk I moet minstens die volgende wees

Gedurende die eerste ses maande van die leertyd 60 persent,

gedurende die tweede ses maande van die leertyd 80 persent

van die minimum voorgeskrewe loon van n werknemer graad IV

P JEUGDIGE WERKNEMERS

(1) Jeugdige manlike werknemers in n ambag of deel van n ambag aangewys kragtens die Wet op Vakleerlinge 1944 moet gedurende die gemagtigde proeftyd minstens die lone betaal word wat kragtens genoemde Wet voorgeskryf word

(2) *Alle ander jeugdiges* —Die minimum loon wat in hierdie Ooreenkoms voorgeskryf word vir werknemers in diens in dieselfde klas werk

10 HOOFSTUK III, KLOUSULE B —LOONSVERHOGINGS EN MINIMUM LONE

Vervang subklousule (1) van klousule B deur die volgende

"B LOONSVERHOGINGS EN MINIMUM LONE

(1) Onderstaande is die minimum weeklone voorgeskryf vir die onderskeie klasse werk hieronder opgesom Met dien verstande dat die minimum voorgeskrewe loon by elke geleentheid ingevolge hierdie Ooreenkoms

L MISCELLANEOUS—ANCILLARY OCCUPATIONS

	For period ending 30/6/87	From 1/7/87
	R	R
25 *Grade II employee*	123,28	135 16
(1) Despatch clerk		
(2) storeman		
(3) time-keeper		
(4) welding other than spotwelding,		
(5) sandblasting and/or burning		
26 *Grade III employee*	104 61	116,49
(1) Caretaker		
(2) watchman		
(3) spotwelder		
(4) welding of fabric		

M HANDSANDING OPERATIONS ALL DEPARTMENTS

27 *Grade IV (A) employee*	91 74	103,62

(1) Rasping and/or filing and/or scraping (operations in carving only)

(2) sandpapering by hand or portable machine

(3) rubbing with an abrasive paste and/or abrasive liquid by machine and/or mechanical appliance

(4) punching away any protruding nails pins and/or staples Provided that this is done only by hand sandpaperers finding such unpunched items during the sandpapering process in the sandpapering section

(5) machine for sanding turned parts

(6) reviving by hand or machine and/or mechanical appliance with a substance other than an abrasive paste and/or abrasive liquid

N FOREMEN CHARGEHANDS SUPERVISORS AND GRADE IV CHARGEHANDS

(1) Foremen and supervisors	158 56	170 44
(2) Chargehands	148,56	160 44
(3) Grade IV chargehands	99 74	110 62

O LEARNERS

(1) Learners authorised in terms of clause 29 (1) of Chapter I of this Agreement employed in learning seamsters and/or seamstresses work under Grade III employees and learners under Grade I and/or Grade II employees shall notwithstanding the minimum wage specified on the certificate issued by the Council in terms of clause 29 (3) and (4) of Chapter I be paid not less per week than the following wage

During the first six months of learnership 80 per cent

during the second six months of learnership 85 per cent

during the third six months of learnership 90 per cent

during the fourth six months of learnership 95 per cent

of the minimum prescribed rate for Grade I Grade II or Grade III employees as the case may be

(2) The minimum weekly wage to be paid to a Grade IV learner as authorised in terms of clause 29 (5) (d) of Chapter I shall not be less than the following

During the first six months of learnership 60 per cent,

during the second six months of learnership 80 per cent,

of the minimum prescribed rate for a Grade IV employee

P JUVENILE EMPLOYEES

(1) Juvenile male employees engaged in a trade or part of a trade designated under the Apprenticeship Act 1944 during the authorised probationary period shall be paid not less than the wages prescribed in terms of the provisions of the said Act

(2) *All other juveniles* —The minimum wage prescribed in this Agreement for employees employed on the same class of work

10 CHAPTER III, CLAUSE B —WAGE INCREASE AND MINIMUM WAGES

Substitute the following for subclause (1) of clause B

B WAGE INCREASE AND MINIMUM WAGES

(1) The following shall be the minimum weekly wages prescribed for the respective classes of work enumerated hereunder Provided that on each occasion the minimum prescribed rate has to be increased in terms of this

verhoog moet word n Werknemer wat n hoër loon ontvang as die minimum voorgeskrewe loon vir die klas werk wat hy verrig moet ondanks andersluidende bepalings hierin vervat, n verhoging ontvang wat gelyk is aan die bedrag hieronder vir daardie loonkategorie aangedui

Indeling	*Tydperk eindigende 30/6/87*
Drywer ingedeel onder 1 (a) (i)	Weekloon verhoog word met R10,12
Drywer ingedeel onder 1 (a) (ii)	Weekloon moet verhoog word met R10,12
Drywer ingedeel onder 1 (a) (iii)	Weekloon moet verhoog word met R10,12
Drywer ingedeel onder 1 (a) (iv) en (b)	Weekloon moet verhoog word met R10 12
Drywer ingedeel onder 1 (c)	Weekloon moet verhoog word met R10,12
Indeling	*Tydperk beginnende 1/7/87*
Drywer ingedeel onder 1 (a) (i)	Weekloon moet verhoog word met R11,88
Drywer ingedeel onder 1 (a) (ii)	Weekloon moet verhoog word met R11,88
Drywer ingedeel onder 1 (a) (iii)	Weekloon moet verhoog word met R11,88
Drywer ingedeel onder 1 (a) (iv) en (b)	Weekloon moet verhoog word met R11 88
Drywer ingedeel onder 1 (c)	Weekloon moet verhoog word met R11,88

Loonvragte	Tydperk eindigende 30/6/87	Vanaf 1/7/87
	R	R
(a) Drywer van n motorvoertuig uitgesonderd n stoomwa wat gelisensieer is om n loonvrag te dra of te trek van—		
(i) minder as 2 722 kg (6 000 lb)	97,84	109,72
(ii) 2 722 kg (6 000 lb) en meer maar hoogstens 4 536 kg (10 000 lb)	102 19	114 07
(iii) meer as 4 536 kg (10 000 lb) maar hoogstens 6 350 kg (14 000 lb)	107,03	118 91
(iv) meer as 6 350 kg (14 000 lb)	111,86	123 74
(b) Drywer van n stoomwa	111 86	123 74
(c) Drywer van n vurkhyswa trekker brompodie passasiersmotor	89 74	101 62
(d) Los drywer van n motorvoertuig uitgesonderd n stoomwa wat gelisensieer is om (vir n tydperk van nege uur of minder as nege uur per dag) n loonvrag te dra of te trek van—		
(i) minder as 2 722 kg (6 000 lb)	19,86	22,27
(ii) 2 722 kg (6 000 lb) en meer, maar hoogstens 4 536 kg (10 000 lb)	20 58	23 04
(iii) meer as 4 536 kg (10 000 lb) maar hoogstens 6 350 kg (14 000 lb)	21 85	24 25
(iv) meer as 6 350 kg (14 000 lb)	22,81	25,25
(e) Los drywer van n stoomwa	22 81	25 25
(f) Los drywer van n vurkhyswa trekker brompodie passasiersmotor	19 26	21,74
Met dien verstande egter dat geen werknemer op grond van n bepaling van hierdie klousules te eniger tyd n laer loon betaal mag word as dié wat hy ontvang het of wat hy geregtig sou gewees het om te ontvang in sy besondere pos op die datum waarop hierdie Ooreenkoms in werking tree nie		

(2) Vervang subklousule (6) deur die volgende

(6) *Verblyftoelae* — n Werkgewer moet benewens ander besoldiging wat verskuldig is aan sy werknemer wat tydens n reis onderneem vir die vervulling van sy pligte van sy woonplek en sy werkgewer se bedryfsinrigting afwesig is vir n tydperk van een of meer nagte minstens die volgende verblyftoelae betaal

(a) Waar dit vir die werknemer nodig is om n aandete en bed te bekom. R7 00

(b) waar dit vir die werknemer nodig is om n aandete bed en ontbyt te bekom R9 00

(c) waar dit vir die werknemer nodig is om n bed ontbyt, middag en aandete te bekom R11 00

21—C

Agreement Employees who are in receipt of a wage in excess of the minimum prescribed rate for the class of work performed by him shall notwithstanding anything to the contrary herein contained receive an increment equivalent to the amount shown hereunder for the wage category

Classification	*For period ending 30/6/87*
Driver classified under 1 (a) (i)	Weekly wage to be increased by R10,12
Driver classified under 1 (a) (ii)	Weekly wage to be increased by R10 12
Driver classified under 1 (a) (iii)	Weekly wage to be increased by R10 12
Driver classified under 1 (a) (iv) and (b)	Weekly wage to be increased by R10 12
Driver classified under 1 (c)	Weekly wage to be increased by R10 12
Classification	*Period commencing 1/7/87*
Driver classified under 1 (a) (i)	Weekly wage to be increased by R11 88
Driver classified under 1 (a) (ii)	Weekly wage to be increased by R11 88
Driver classified under 1 (a) (iii)	Weekly wage to be increased by R11,88
Driver classified under 1 (a) (iv) and (b)	Weekly wage to be increased by R11 88
Driver classified under 1 (c)	Weekly wage to be increased by R11 88

Pay loads	For period ending 30/6/87	From 1/7/87
	R	R
(a) Driver of motor vehicle other than a steam wagon authorised to carry or haul a payload of—		
(i) under 2 722 kg (6 000 lb)	97 84	109 72
(ii) 2 722 kg (6 000 lb) and over but not exceeding 4 536 kg (10 000 lb)	102 19	114 07
(iii) over 4 536 kg (10 000 lb) but not exceeding 6 350 kg (14 000 lb)	107 03	118 91
(iv) over 6 350 kg (14 000 lb)	111 86	123 74
(b) Driver of steam wagon	111 86	123 74
(c) Driver of fork lift tractor scooter passenger car	89 74	101 62
(d) Casual driver of motor vehicle other than a steam wagon authorised to carry or haul a pay load of (for any period or nine hours or less per day)—		
(i) under 2 722 kg (6 000 lb)	19 86	22 27
(ii) 2 722 kg (6 000 lb) and over but not exceeding 4 356 kg (10 000 lb)	20 58	23 04
(iii) over 4 536 kg (10 000 lb) but not exceeding 6 350 kg (14 000 lb)	21 85	24 25
(iv) over 6 350 kg (14 000 lb)	22 81	25,25
(e) Casual driver of a steam wagon	22 81	25 25
(f) Casual driver of fork lift tractor scooter passenger car	19 26	21 74
Provided however that no employee shall at any time by reason of any provision of these clauses be paid a wage less than that which he received or would have been entitled to receive in his particular post as at the date on which this Agreement comes into operation		

(2) Substitute the following for subclause (6)

(6) *Subsistence allowance* —An employer shall in addition to any other remuneration due pay his employee who on any journey undertaken in the performance of his duties is absent from his place of residence and his employer s establishment for any period extending over one or more nights a subsistence allowance of not less than—

(a) where it is necessary for the employee to obtain an evening meal and bed R7 00

(b) where it is necessary for the employee to obtain an evening meal bed and breakfast R9 00

(c) where it is necessary for the employee to obtain bed breakfast lunch and evening meal R11 00

KENNISGEWING 642 VAN 1986

DEPARTEMENT VAN MANNEKRAG

WET OP ARBEIDSVERHOUDINGE, 1956

AANSOEK OM REGISTRASIE VAN 'N WERKGEWERSORGANISASIE

Ek, Adam Johannes Jacobus Barnard, Assistent-nywerheidsregistrateur, maak ingevolge artikel 4 (2) van die Wet op Arbeidsverhoudinge, 1956, hierby bekend dat 'n aansoek om die registrasie ontvang is van die Furniture and Wood Products Manufacturers Association (B and C Areas). Besonderhede van die aansoek word in onderstaande tabel verstrek.

Enige geregistreerde werkgewersorganisasie wat teen die aansoek beswaar maak, word versoek om binne een maand na die datum van publikasie van hierdie kennisgewing sy beswaar skriftelik by my in te dien, p/a die Departement van Mannekrag, Mannekraggebou 449, Schoemanstraat 215, Pretoria (posadres. Privaatsak X117, Pretoria, 0001)

TABEL

Naam van werkgewersorganisasie.—Furniture and Wood Products Manufacturers Association (B and C Areas)

Datum waarop aansoek ingedien is.—5 Maart 1986.

Belange en gebied ten opsigte waarvan aansoek gedoen word.—Werkgewers betrokke in die Meubel- en Houtproduktenywerheid in die provinsie Natal, uitgesonderd die landdrosdistrikte Durban, Pinetown, Pietermaritzburg, Inanda en Mount Curry.

Vir doeleindes hiervan beteken—

"Meubelnywerheid" of "Nywerheid", behoudens die bepalings van die afbakeningsvasstelling gemaak deur die Nywerheidshof op 1 September 1978, of enige daaropvolgende vasstelling, sonder om die gewone betekenis van die uitdrukking enigsins te beperk, die vervaardiging, hetsy in die geheel of gedeeltelik, van alle soorte meubels, afgesien van die materiaal wat gebruik word, en omvat dit onder andere ook die volgende werksaamhede:

Herstelwerk, stoffeerwerk, herstoffeerwerk, beitswerk, spuitwerk of poleerwerk en/of herpoleerwerk, die maak van los oortreksels en/of stoelkussings en/of gordyne, die maak en/of herstel van raamveermatrasse en/of rame vir stoffeerwerk, houtmasjienwerk, fineerwerk, houtdraaiwerk, houtsnywerk in verband met die vervaardiging en/of herstel van meubels, poleerwerk en/of herpoleerwerk aan klaviere en die vervaardiging van en/of beitswerk, spuitwerk en poleerwerk en/of herpoleerwerk aan meubels vir teekamers, kantore, kerke, skole, kroee of teaters, kabinette vir musiekinstrumente en radio- of draadlooskabinette, en omvat die vervaardiging of die prosesse in die vervaardiging van beddegoed, wat so omskryf en vertolk moet word dat dit alle soort matrasse, veermatrasse, bomatrasse, kussings, peule en stoelkussings insluit, en omvat voorts die werksaamhede wat uitgevoer word op alle persele waar houtmasjienwerk, houtdraaiwerk en/of houtsnywerk uitgevoer word in verband met die vervaardiging van meubels, en omvat voorts ook herstelwerk, herstoffeerwerk of herpoleerwerk aan meubels in of in verband met bedryfsinrigtings waarin die vervaardiging van meubels of 'n werksaamheid wat in verband staan met die finale bereiding van 'n meubelstuk vir verkoop, of in sy geheel of gedeeltelik, uitgevoer word, en die fineerwerk aan gelamelleerde blokbord- of laaghoutdeure wat vir meubels gebruik word, en alle gedeeltes van materiaal wat by die vervaardiging van meubels gebruik word, maar

NOTICE 642 OF 1986

DEPARTMENT OF MANPOWER

LABOUR RELATIONS ACT, 1956

APPLICATION FOR REGISTRATION OF AN EMPLOYERS' ORGANISATION

I, Adam Johannes Jacobus Barnard, Assistant Industrial Registrar, do hereby, in terms of section 4 (2) as applied by section 7 (5) of the Labour Relations Act, 1956, give notice that an application for the variation of its scope of registration has been received from the Furniture and Wood Products Manufacturers Association (B and C Areas). Particulars of the application are reflected in the subjoined table.

Any registered employers' organisation which objects to the application is invited to lodge its objection in writing with me, c/o the Department of Manpower, 449 Manpower Building, 215 Schoeman Street, Pretoria (postal address: Private Bag X117, Pretoria, 0001), within one month of the date of publication of this notice.

TABLE

Name of employers' organisation.—Furniture and Wood Products Manufacturers Association (B and C Areas).

Date on which application was lodged.—5 March 1986.

Interests and area in respect of which application is made.—Employees engaged in the Furniture and Wood Products Industry in the Province of Natal, excluding the Magisterial Districts of Durban, Pinetown, Pietermaritzburg, Inanda and Mount Curry

For the purpose hereof—

"Furniture Manufacturing Industry" or "Industry" means, subject to the demarcation determination made by the Industrial Tribunal on 1 September 1978, or any succeeding determination, without in any way limiting the ordinary meaning of the expression, the manufacture, either in whole or in part, of all types of furniture, irrespective of the materials used, and includes the following operations:

Repairing, upholstering, re-upholstering, staining, spraying or polishing and/or repolishing, the making of loose covers and/or cushions and/or curtains, the making and/or repairing of box spring mattresses and/or frames for upholstering, woodmachining, veneering, wood-turning, carving in connection with the manufacture and/or repair of furniture, the polishing and/or repolishing of pianos and the manufacture and/or staining, spraying and polishing and/or repolishing of tearoom, office, church, school, bar or theatre furniture, cabinets for musical instruments and radio or wireless cabinets, and includes the manufacture or processes in the manufacture of bedding, the definition and interpretation of which includes all manner and/or types of mattresses, spring-mattresses, overlays, pillows, bolsters and cushions, and further includes the activities carried on in any premises where woodmachining, wood-turning and/or carving in connection with the production of furniture is carried on and further includes the repairing, re-upholstering or repolishing of furniture in or in connection with establishments in which the production of furniture or any operation associated with the final preparation of any articles of furniture for sale, either in whole or in part, is carried on, and the veneering of laminated block-board or plywood doors used for furniture, and all parts of materials used in the con-

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uitgesonderd die vervaardiging van artikels wat hoofsaaklik van mandjiesgoed, gras en/of rottang gemaak word en die vervaardiging van metaalmeubels, met inbegrip van metaalkatels.

Posadres van applikant.—Posbus 31, Margate, 4275

Kantooradres van applikant.—Bairnstraat 31, Uvongo, Natal.

Die aandag word gevestig op onderstaande vereistes van artikel 4 van die Wet:

(a) Die mate waarin 'n beswaarmakende werkgewersorganisasie verteenwoordigend is, word ingevolge subartikel (4) bepaal volgens die feite soos hulle bestaan het op die datum waarop die aansoek ingedien is, en wat die lidmaatskap betref, word alleen lede wat ingevolge artikel 1 (2) van die Wet op voormelde datum volwaardige lede was, in aanmerking geneem.

(b) Die prosedure voorgeskryf by subartikel (2) moet gevolg word in verband met 'n beswaar wat ingedien word.

A. J. J. BARNARD,

Assistent-nywerheidsregistrateur.

(12 September 1986)

struction of furniture, but excludes the manufacture of articles made principally of wicker, grass and/or cane, and the manufacture of metal furniture, including the manufacture of metal bedsteads.

Postal address of applicant.—P.O. Box 31, Margate, 4275.

Office address of applicant.—31 Bairn Street, Uvongo, Natal.

Attention is drawn to the following requirements of section 4 of the Act.

(a) The representativeness of any employers' organisation which objects to the application shall in terms of subsection (4) be determined on the facts as they existed at the date on which the application was lodged and, as far as membership is concerned, only members who were in good standing in terms of section 1 (2) of the Act as at the aforesaid date shall be taken into consideration.

(b) The procedure laid down in subsection (2) must be followed in connection with any objection lodged.

A. J. J. BARNARD,

Assistant Industrial Registrar.

(12 September 1986)

KENNISGEWING 643 VAN 1986

UITSLAG VAN VOLKSRAADTUSSENVERKIESINGS.—KIESAFDELINGS CLAREMONT EN PINELANDS

Ooreenkomstig artikels 108 en 109 van die Kieswet, 1979 (Wet 45 van 1979), word die volgende besonderhede betreffende die verkiesing van lede van die Volksraad vir die kiesafdelings Claremont en Pinelands gehou op 3 September 1986 hiermee vir algemene inligting gepubliseer:

NOTICE 643 OF 1986

RESULT OF THE HOUSE OF ASSEMBLY BY-ELECTIONS.—ELECTORAL DIVISIONS OF CLAREMONT AND PINELANDS

In accordance with sections 108 and 109 of the Electoral Act, 1979 (Act 45 of 1979), the following particulars relating to the election of members of the House of Assembly for the Electoral Divisions of Claremont and Pinelands held on 3 September 1986 are hereby published for general information:

Kiesafdeling Electoral Division	(a) Naam van verkose persoon (b) Meerderheid stemme van verkose persone (c) Datum met ingang waarvan verkies verklaar (a) Name of person elected (b) Majority of votes of persons elected (c) Date with effect from which declared elected	Stemme uitgebring en politieke partye verteenwoordig Votes polled for, and political party represented		Getal verworpe stembriewe Number of ballot papers rejected	(a) Totale getal stemme uitgebring (b) Stempersentasie (a) Total number of votes polled (b) Polling percentage	Totale getal kiesers op kieserslys Number of votes on voters' list
		Kandidaat Candidate	Politieke Party Political Party			
Pinelands	(a) John Jasper Walsh (b) 1 804 (c) 1986-04-03	N E. Barret 3 618 J J Walsh 5 422	NRP PFP	48	(a) 9 088 (b) 55,3	16 435
Claremont	(a) Jan van Eck (b) 3 804 (c) 1986-04-03	A O Leisegang 885 J van Eck 4 689	NRP PFP	19	(a) 5 593 (b) 32,2	17 393

(12 September 1986)

KENNISGEWING 644 VAN 1986

DOEANE- EN AKSYNSTARIEFAANSOEKE.—LYS 32/86

Onderstaande aansoeke betreffende die Doeane en Aksynstarief is deur die Raad van Handel en Nywerheid ontvang. Enige beswaar teen of kommentaar op hierdie vertoe moet binne ses weke na die datum van hierdie kennisgewing aan die Raad van Handel en Nywerheid, Privaatsak X84, Pretoria, 0001, gerig word.

NOTICE 644 OF 1986

CUSTOMS AND EXCISE TARIFF APPLICATIONS.—LIST 32/86

The following applications concerning the Customs and Excise Tariff have been received by the Board of Trade and Industries. Any objections to or comments on these representations must be submitted to the Board of Trade and Industries, Private Bag X84, Pretoria, 0001, within six weeks of the date of this notice.

Workers allege they were assaulted after being fired

STAR

16/9/86

By Sheryl Raine

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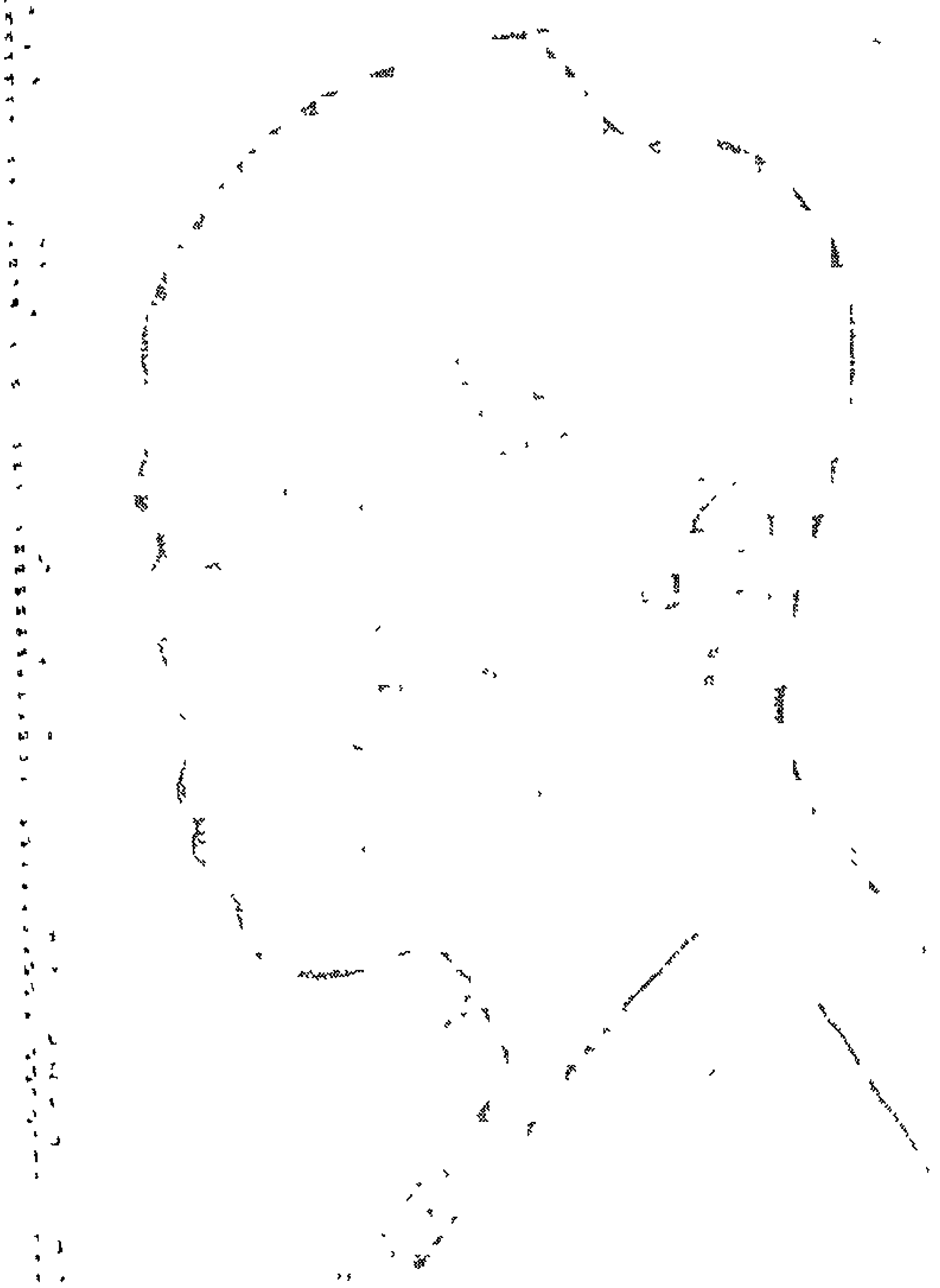

Mr Petrus Mlaba (22) says he was assaulted at his place of work He suffered head, facial and arm injuries after being beaten with an iron rod

Two black workers employed by a Johannesburg furniture manufacturer claim they were fired, beaten with an iron rod and prevented from collecting their belongings at the factory premises

Mr Petrus Mlaba (22) allegedly suffered head, face and arm injuries while Mr Simon Ndaba (23) suffered bruises and welts on his body and face

Both men, members of the African Allied Workers Union, are considering laying charges of assault against a white employee of Streamline Metal Furniture Manufacturers in Marshalltown

Mr Mlaba, a spray painter, who had been with the company for more than three years claimed he was dismissed last week when his employer told him he was incompetent He went to collect his pay on Tuesday this week and was paid R280 which was supposed to include notice pay As he earned R90 a week, he queried the amount

ASSAULTED HIM

While in his room on the premises collecting his belongings two white men burst in, he said One held his arms and the other assaulted him with an iron rod He fled and has not been able to collect his belongings

Mr Ndaba, who is also a spray painter, claimed he was fired for joining the union on Tuesday He said he was also beaten with an iron rod by the same man who beat Mr Mlaba

Union national vice presdent, Mr Malusi Mpondo, said a third case of assault at the same factory was being investigated

Mr Frans de Klerk of Streamline said he was not aware that anyone had been assaulted on his premises

"I know nothing about any assaults which took place on my premises on Tuesday I was at the factory until 9 30 pm and am not aware of any incidents

"These guys go and get themselves assaulted in the townships and blame it on their employer

"Both these men resigned voluntarily They were not fired but they came back to the factory with the union and claimed they had not resigned My other black employees will testify that they resigned"

He said he had paid Mr Mlaba his final wages calculated according to a formula laid down by the furniture industry and his books could be inspected at any time

No. R. 2005 **19 September 1986**

WET OP ARBEIDSVERHOUDINGE, 1956

MEUBELNYWERHEID, WES-KAAPLAND —HERNUWING VAN VOORSORGFONDSOOREENKOMS

Ek, Mattheus Willem Johannes le Roux, Direkteur. Mannekrag, behoorlik daartoe gemagtig deur die Minister van Mannekrag, verklaar hierby, kragtens artikel 48 (4) (a) (ii) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van Goewermentskennisgewings R 2013 van 11 Julie 1969, R. 421 van 15 Maart 1974, R 74 van 16 Januarie 1976, R 2043 van 14 September 1979, R 838 van 30 April 1982, R 2597 van 30 November 1984, en R 1231 van 20 Junie 1986, van krag is vanaf 1 Oktober 1986 en vir die tydperk wat op 31 Maart 1987 eindig

M. W. J. LE ROUX,
Direkteur: Mannekrag.

No. R. 2006 **19 September 1986**

WET OP ARBEIDSVERHOUDINGE, 1956

YSTER-, STAAL-, INGENIEURS- EN METALLURGIESE NYWERHEID.—HERNUWING VAN ISPA-SUBGROEPOOREENKOMS

Ek, Mattheus Willem Johannes le Roux, Direkteur Mannekrag, behoorlik daartoe gemagtig deur die Minister van Mannekrag, verklaar hierby, kragtens artikel 48 (4) (a) (ii) van die Wet op Arbeidsverhoudinge, 1956, dat die bepalings van Goewermentskennisgewing R. 1579 van 19 Julie 1985, van krag is vanaf die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 Junie 1987 eindig.

M. W. J. LE ROUX,
Direkteur: Mannekrag.

DEPARTEMENT VAN OPENBARE WERKE EN GRONDSAKE

No. R. 1939 **19 September 1986**

WET OP BOUREKENAARS, 1970 (WET 36 VAN 1970)

KENNISGEWING INGEVOLGE ARTIKEL 7 (6) — WYSIGING VAN MINIMUM GELDE

Ek, Lourens Albertus Petrus Anderson Munnik, Minister van Kommunikasie en van Openbare Werke maak hierby ingevolge artikel 7 (6) van die Wet op Bourekenaars, 1970 (Wet 36 van 1970), bekend dat ek die voorsiening in die Bylae hiervan kragtens artikel 7 (3) (b) van genoemde Wet gemaak het

BYLAE

Vervanging van klousule 10 van Goewermentskennisgewing R. 90 van 16 Januarie 1981

1. Klousule 10 van Goewermentskennisgewing R 90 van 16 Januarie 1981 word hierby deur die volgende klousule vervang:

"10. Tussentydse gelde en gedeeltelike dienste:

10.1 Tussentydse gelde wat gevorder word, word op die toepaslike geldeskale en die verdeling daarvan soos in Tabel III of IV uiteengesit, gebaseer.

10.2 Indien 'n opdrag beëindig of opgeskort word nadat diens A of dienste A en B, soos in Tabel III of IV uiteengesit, voltooi is, word die gelde vir sodanige dienste ooreenkomstig die toepaslike geldeskale en die verdeling daarvan bepaal.

No. R. 2005 **19 September 1986**

LABOUR RELATIONS ACT, 1956

FURNITURE MANUFACTURING INDUSTRY, WESTERN CAPE —RENEWAL OF PROVIDENT FUND AGREEMENT

I, Mattheus Willem Johannes le Roux, Director Manpower, duly authorised thereto by the Minister of Manpower, hereby, in terms of section 48 (4) (a) (ii) of the Labour Relations Act, 1956, declare the provisions of Government Notices R 2013 of 11 July 1969, R 421 of 15 March 1974, R 74 of 16 January 1976, R 2043 of 14 September 1979, R 838 of 30 April 1982, R 2597 of 30 November 1984, and R 1231 of 20 June 1986, to be effective from 1 October 1986 and for the period ending 31 March 1987

M W. J. LE ROUX,
Director: Manpower.

No. R. 2006 **19 September 1986**

LABOUR RELATIONS ACT, 1956

IRON, STEEL, ENGINEERING AND METALLURGICAL INDUSTRY —RENEWAL OF ISPA SUBGROUP AGREEMENT

I, Mattheus Willem Johannes le Roux, Director Manpower, duly authorised thereto by the Minister of Manpower, hereby, in terms of section 48 (4) (a) (ii) of the Labour Relations Act, 1956, declare the provisions of Government Notice R 1579 of 19 July 1985, to be effective from the date of publication of this notice and for the period ending 30 June 1987

M. W J. LE ROUX,
Director: Manpower

DEPARTMENT OF PUBLIC WORKS AND LAND AFFAIRS

No. R. 1939 **19 September 1986**

QUANTITY SURVEYORS'S ACT, 1970 (ACT 36 OF 1970)

NOTICE IN TERMS OF SECTION 7 (6) — AMENDMENT OF MINIMUM FEES

I, Lourens Albertus Petrus Anderson Munnik, Minister of Communications and of Public Works, hereby make known in terms of section 7 (6) of the Quantity Surveyors' Act, 1970 (Act 36 of 1970), that I have made the provision in the Schedule in terms of section 7 (3) (b) of the said Act

SCHEDULE

Substitution of clause 10 of Government Notice R 90 of 16 January 1981

1 The following clause is hereby substituted for clause 10 of Government Notice R 90 of 16 January 1981

"10 Interim fees and partial services

10.1 Interim fees charged shall be based on the appropriate fee scales and the apportionment thereof as set out in Table III or IV

10 2 Should a commission be terminated or deferred after the completion of service A or services A and B as set out in Table III or IV, the fee for such services shall be determined in accordance with the appropriate fee scales and the apportionment thereof

FINMAIL 19/9/86

HOME FURNITURE

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More comfortable

After two years in the wilderness, the home furniture retail market seems firmly back on the road to recovery, with sales running some 30% ahead of last year's figures

This is the good news after massive turnover slumps in 1984 and 1985, when higher deposits and rampant HP rates savagely slashed sales

A combination of positive factors sees the upturn in the R3,25 billion/year furniture retail sector still gathering impetus The relaxation of minimum HP deposits and the extension of repayment periods for household goods last August set off the revival

Since then the gradual pick-up in the economy and expectations of continued high inflation also helped convince many buyers that it might be best to buy now In the past month or two, sales have really rocketed, say industry sources

"But the best months still lie ahead — annual sales usually peak in November and December," notes OK Bazaars director Arthur Solomon "Basing a forecast on the last two months, total industry turnover this year should at least equal 1984 real term levels "

One swallow doesn't make a summer, of course, but sparkling results reported by retailer Morkels for its end-June quarter point to a major sales take-off Turnover ran 53,4% ahead of the same period last year, while profits before tax and interest grew by a healthy 75,6%

"We outstripped the estimated 11,3% growth recorded by the retail furniture sector during the quarter and increased market share by 15%," says Morkels MD Carl Jansen "Overall, we expect turnover to grow by 33% in the year to next March and we expect a 55% bottom line improvement "

Morkels, he claims, was the only retailer to show significant growth But competitors disagree

"Without financial details," says OK's Solomon, "one cannot adequately assess Morkels' performance And, of course, the relative size of an operation adds to the significance of reported turnovers "

He says that after OK's unit sales fell by 15% and turnover dropped 25% in the August 1984-August 1985 year, there was a 13% recovery in sales and a 30% hike in turnover in the year ended last month

Solomon says "pure furniture" sales — lounge, bedroom and dining room suites — improved after the HP relaxations Big ticket sales, including TV sets, VCRs and other appliances, benefited from "pre-inflation" buyers who foresaw that the falling rand rate would add to the cost of imports

"Pent-up demand for white goods has also been released," Solomon adds, "as many users found they could no longer put off buying necessities The stage has been reached where people cannot afford to repair old units and have to replace them "

Lastly, he says, falling interest rates are also spurring demand Others conditionally agree

"Generally, things are much better," says Russells chairman Geoff Austin "But we must wait and see if the trend continues Currently we are experiencing a phenomenal 30%-40% improvement on last year's low levels If this continues through September and October one can talk of real growth "

Amrel MD Stan Burger confirms the more positive trend He says furniture sales are doing "very nicely" — but off a "terribly low base " And Furniture Traders' Association spokesman Frans Jordaan says although township sales to blacks still face delivery problems, there has been a definite upturn in sales generally since last May But, not surprisingly, there's still a regional slump in the eastern Cape, he adds

Official statistics confirm the general sales upturn "In the January-May period furniture dealers reported sales of R1,068 billion — a 26% improvement on the previous year," says Jordaan

city Press
5/10/86

(188)

He wove his way to millions

HABAKUK Shikwane "wove' his way to millions

Shikwane, 52, is a self-made millionaire who owns one of the largest cane furniture factories in Southern Africa, a shopping complex, a construction company, a filling station and a food manufacturing company

And it all started because he was among the best basket-weavers at school

His cane furniture factory alone has a turnover of more than R2-million a year and it won him the "Black Manufacturer of the Year award recently

He has turned his talent for basket-weaving into a thriving business

He was brought up by his widowed mother in the little village of Masemola, near Middelburg, in the Eastern Transvaal His mother did traditional pottery work which he went out and sold

Later at school he learnt basket-weaving and it was then he discovered that he had a special talent for it

He later went to Johannesburg and in 1945 he found work in a wickerwork manufacturing company

He noted how the factory was run and how all the components of the wickerwork were made and finally assembled He also took note of how the owner ran the company

'Soon I was almost like the employer The white owner left the running of the factory to me I was taking decisions settling disputes in the factory and acting as a manager "

Five years later he decided that if he could run a factory for someone else he could do better by running one of his own

He left and started a backyard cane factory in Orlando East Soweto

Two years later the business had expanded so rapidly that he moved into his own factory at the Orlando Industrial Park

Eight years later he had persuaded the Bantu Investment Corporation to lend him R22 000 and with it he transferred his business to a BIC-built factory in Hammanskraal

It was opened on January 2, 1961, and was the first BIC factory But he ran into difficulty with Chief Lucas Mangope s government – he could not get a trading licence He moved to LebowaKgomo in Lebowa in 1978

He obtained another loan – for R780 000 from the BIC – to build the Lebowa factory

When he began, he had 350 employees His turnover was more than R200 000 a month, but then he had a brush with the trade unions who sought representation in his factory

Because he would not recognise the union the workers went on strike and they lost their jobs He now has 150 people working for him

His family helps to run his other businesses The shopping centre is controlled by his wife, Nelly, his son Mmanoto looks after the accounting for all the businesses and his wife, Salmina runs the filling station His son Excellence is managing director of the food company

Mmanoto, like all his children was educated overseas He is the eldest and qualified as an accountant in England Excellence qualified in management training in the United States

Two of Habakuk s three daughters are still studying

The eldest, Mmaphosane, is doing a Phd degree in Pharmacology at Glasgow University in Scotland The third Mmathimo, has already completed a BA in Personnel Management in the US

Refilwe, the youngest, is still studying for a BSc degree in social sciences and economics at Skidmore University in New York

Habakuk says 'Black people have enormous problems which arise from the laws and which prohibit black people from trading where they want to or to do business like people of other races "

'We are expected to do business in areas where there is absolutely no infrastructure

We also do not have enough education to go into business like the whites do " he said

Though he blames agitators for the wildcat strikes which have reduced his workforce by half and his turnover by more than half, he criticises the country s socio political structure which he says, is at the root of the conflict

Lack of possession of the land is one of the biggest economic handicaps in this country, ' he says

"I have close relations with my staff, but many of our people do not recognise black people as real bosses," he said "You tend to have qualified obedience from workers

"They seem to think that they should not do a particular job or take orders from a person like me (it is as if they ask 'Who is he?) but all in all I always try to make them happy

'There is no man who can make success out of his business if his team does not work with him ' he says

He believes that success comes to people who have determination and have set their goals on achievement They must be prepared to work hard

His definition of an entrepreneur is a person who is fired with the spirit to work and to achieve things for himself and his people

And his advice to people wanting to start their own business? They must have courage and must forget the difficulties and work hard

R40-m for education

Deborah Mabiletsa One of the trustees of the Mobil Foundation of SA

THE Mobil Corporation has set up the Mobil Foundation of SA with a funding of up to R40-million for education and other activities directed mainly at black people over the next five years

The fund will also concentrate on the developemnt of enterprenecurial business enterprises and rural and other community projects

The foundation says in its mission statement that they will "support develop or run programs and other activities which will in its judgment have an impact on the current structures of SA society and help SA to develop into a non racial and democratic society based on the principle of freedom of association

'The central concept underlying the establishment of the foundation and its subsidiaries is that it should identify and address structural problems in SA society which prevent its evolution towards a non racial democracy

Peninsula Technikon director Dr Franklin Sonn was elected chairman and Prof Hermann Gilliomee of Cape Town University s political studies department was elected vice chairman

The other trustees are Dr RH Lee Dr KB Hartshorne Professor L Schlemmer Professor D Welsh DM Mabiletsa and JA Kilcullen MOA Kunene JMS Latakgomo I Mafuna EM Mculi KP O Malley and GP Racine

Committees will be set up to establish programs which will be introduced next year

Experts cool on furniture industry boom

CS/G ARGUS 25/10/86

(88)

By TOM HOOD

A PROJECTED boom for the furniture industry could fall short of some people's expectations

House-building programmes to meet the huge shortage of homes should have spin-offs for furniture and other goods, according to economists

However, researchers in the industry have become sceptical of this scenario and one company, Morkels sees an expansion to 150 branches as saturation point, after which its growth will have to come from diversifying into other businesses such as clothing and footwear

Measuring changes in lifestyle characteristics, the company found the advent of television in the home having a major impact on lifestyles

Modern South Africans are living in a very different way to their parents and they have very different wants and needs, says Mr Derek Russell, the company's general manager of planning resources

There are major differences between working housewives and non-working housewives in terms of the needs that they have in their homes

"There is a great difference between newly marrieds without children and 'full-nest' families," says Mr Russell

Where full-nest families have a great deal of experience behind them and don't need as much customer or service support, the newly marrieds do, since they don't know what they are buying and are looking for information

This research has highlighted a number of major developments in the home There are now staggered eating patterns the husband comes home late, the children have to go to bed early and so members of the family are tending to eat in relays rather than in a formal manner Television dinners in front of the TV are becoming the norm

As a result the dining room is becoming increasingly a formal room for entertaining, for family gatherings on Sundays

There is an increased incidence of juvenile self-expression They are not prepared to sleep in bunks Once they become teenagers they want self-expression, they want to be able to furnish their rooms to their own likes

There is a growing incidence of the extended home — 33 percent of South African homes now have a family room that has all sorts of demands in terms of furniture requirements

In examining black South African lifestyles, Morkels discovered it had to separate the socio-economic trends from marketing trends

The major issue is the severe space limitation, says Mr Russell Because blacks live in standard box-like homes, they are not able to expand and meet their aspirational needs

"This problem is going to have a major impact on the furniture industry It is often said the booming black market is going to bolster furniture sales Until the severe space problem is solved blacks are not going to be able to meet their aspirational needs"

The needs of black consumers today also have to be measured by the standard of housing they live in because this is the major issue that is going to dictate the buying patterns in the furniture industry

Mr Russell believes there is no difference between the upward mobility towards universal standards there is no difference between what the black housewife and what the white housewife say they need

"They both talk about the same problems, the same television issues, the same eating issues It is truly a universal market"

Juvenile rejection of share facilities is having a major impact on extended families in black communities Juveniles are demanding their own rooms and their own facilities in the home Consequently uncles, aunts and close relatives are being moved out of the home

The educational needs of blacks in the townships are having the effect of increasing the need for study facilities in the home

All these factors have major implications in terms of providing the right sort of furniture merchandise

29/10/86.

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Positive growth in furniture industry

MICK COLLINS

PRESIDENT of the Federation of Furniture Manufacturers (FFM) Ike Lasarow has expressed guarded optimism about the future of the industry.

Speaking at an FFM executive council meeting in Johannesburg yesterday he said sales at factory level had moved into a positive growth phase and were running at 7,9% higher than for the same period last year.

"Re-employment is taking place on a gradual basis and employment figures have shown an improvement of 5,5% compared with last year."

In real terms, however, the industry was still operating at 1983 levels.

Lasarow referred to recent reservations which had been expressed regarding the capability of the industry to meet local demand.

He pointed out that, while a number of manufacturers had been forced to close their doors due to the recession, there was a substantial number of employers who had sufficient numbers of trained staff and the expertise to produce all the furniture required for the local market.

He said the industry was reliant to a certain extent on fabrics and hardwoods which had to be imported.

"There doesn't appear to be any major problem in ensuring a continued supply of these raw materials and the recent strengthening of the rand has reduced the burden.

"However, escalations in the price of locally grown timber are a matter of grave concern. It is essential that the local timber should not increase at an unacceptably high rate as has been the case in recent years."

He said the improvement in the state of the industry and the accompanying rise in employment now made an improvement in the skills levels of the industry imperative.

A new name and new look

BUSDAY 31/10/86

LIZ ROUSE

A TRIM B & S Furniture returns to the JSE board as Furntech on December 8, after a six-month suspension

The restructured group will then contain Cecil Nurse, distributors of office furniture, Republic-Steelbrite, steel kitchen furniture manufacturer; Furnsteel, steel office furniture manufacturer; and Huski, office seating manufacturer.

As forecast previously by chairman Solly Krok, taxed profit will be at least R2,5m in the year to December 1987, equal to earnings of about 9,9c a share, and the dividend will be about 4,95c

Reconstruction details published today show a clean balance sheet, with solvency restored and sufficient working capital for continuing operations.

Two offers are being made to minorities.

They will be able to sell their B & S ordinary shares to the Krok-controlled company, Consolidated Rand Parts (CRP) for 0,2c a share, the same basis on which CRP aqured B & S

Or they will be offered 453 600 shares, on the basis of three shares for each B & S share, at 80c a share

Preference shareholders will receive three ordinary shares for every 15 prefs at 80c a share

There will be 25,5-million shares in issue when the share deals are concluded

Now SAB can toast Afcol too

(86)

Star 1/11/86

By Sven Lunsche

South Africa's leading furniture manufacturer Associated Furniture (Afcol) joined its SAB stablemates Edgars and Amrel in announcing substantially improved results for the six months to September 31

Earnings per share increased by a staggering 112 percent to R9,06 million, compared with last year's interim results, while a slightly more than twice covered interim dividend of 19,5c was declared

And more good news can be expected in the second half

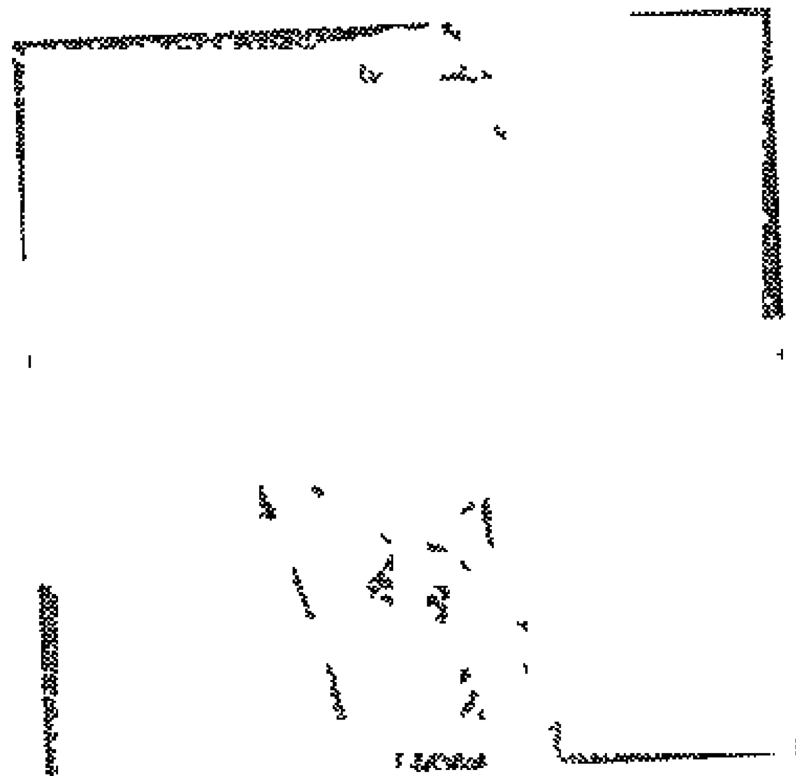
"Sales in October and the levels of orders on hand indicate that the buoyant sales will continue throughout the quarter to the end of December," says Afcol chairman Laurie van der Watt

"This trend, barring unforeseen socio-political developments, should result in a substantial rise in attributable earnings for the current financial year," he added

Afcol probably provides the best barometer for the furniture industry and if their results, coupled with those of Amrel's furniture division, are anything to go by last year's battered industry is now well on the road to recovery

However, many smaller manufacturer have folded during the recession and it is apparent that Afcol has gained substantial market share at their expense, in a market which has in any case grown substantially since the be innin of the year

Mr van der Watt admits that the group's market share has grown, but says "that this is due to the furniture division's growth rate, which has been better than that of the rest of the industry"



Laurie van der Watt

Turnover has increased by 32 percent to R191,8 million, and according to Mr van der Watt this is a continuation of the improvement which started in the second half of the previous financial year, when the effects of the lifting of HP requirements were first felt

Taxation increased by 32 percent, but Mr van der Watt sees this as another sign of the company's growth potential "We are no longer given the investment allowances on plant expansions, which indicates that all our operations are fully set to go," he said

With the increased turnover it was also inevitable that the group's gearing ratio would have to rise "We are now gearing at a level of 45 percent, compared with 37 percent at the end March, and the take-off in sales made larger borrowings necessary We had fully budgeted for this increase," Mr van der Watt said

Apart from the furniture division, Afcol's other interests also showed profitable returns

While declining to give any details, Mr van der Watt said that both export earnings and the income from other divisions, including the recent merger between Spankor and a major portion of PG Wood, had been satisfactory

Afcol's share price has risen dramatically over the interim period, from 800c to its current trading value of R14, very much in line with the increases in the share price of most other SAB subsidiaries

However, dealers said that this price has more than discounted the good interim results and expect it to stabilise at its current levels

Nevertheless, with the furniture industry at the start of a boom area and Afcol continuing to increase its market share, the group is easily on course for record earnings at the end of the year

7/11/86 FIN MAIL

EXPORTS

Moving targets

There's more than one way of getting a foot into foreign markets, as South African office furniture manufacturer and supplier Grant Andrews (GA) has found

The company is about to launch a locally designed and developed system of computer support furniture on international markets with the aid of new companies established in the UK and Mauritius

Director and head of production Mike Edwards says GA is now studying approaches from 63 companies in 17 countries which are interested in selling or manufacturing the Remisystem range under licence Just back from an international office equipment fair in Cologne, where the furniture attracted wide interest, Edwards tells the *FM* "We are most interested in five approaches from UK companies, three serious inquiries from the US and three from Australia

Right partners

"It's critical that we choose the right partners We were astonished at the interest in the product at the fair — there's nothing quite like it on European markets But we need the best support we can find in each foreign market to really succeed "

The international rights to the Remisystem range have been granted to UK-based Remisystem, which will appoint international distributors and licensed manufacturers Components for the range, which has been specifically designed with container export in mind, will be manufactured by a joint-venture company in Mauritius

"The whole package has been put together to keep SA out of the spotlight," says MD Grant Andrews But the benefits will flow back from the sale of components, licence fees and the kudos that comes from any export success

The venture will also help secure GA's position in the local specialist office furniture market, which has shrunk from R180m a year to about R120m a year in the present recession

"We want to avoid being dependent on one market," Andrews explains "We've always known we have the product and the expertise to succeed in other markets I think we've now proved it " ■

Recovery is fragile — Morkels chief

JOHANNESBURG — Furniture turnover growth for the six months to September 1986 represented a 96 per cent increase in volume over the same period in 1983, the managing director of the Morkels group, Mr Carl Jansen, said in his quarterly report

This cast "a proper and balanced perspective on an unbroken cycle of progress in the face of adversity and broadly-based economic hardship which had beset the furniture industry in particular," he said

Trading activity, in an economy characterised by deep-seated fundamental structural change, continued to reflect the impact of lower growth rates, declining fixed investments, rising unemployment, pernicious inflation and depressing contractions of living standards, he said

The effect of low-level consumer confidence on sales had been aggravated by a worrying lack of continuity in the supply of merchandise which had retarded sales impetus

The surge in growth enjoyed in the April-June quarter had continued into the second quarter but midway through September there was a disturbing slump in sales industry-wide Morkels itself saw the monthly growth rate decline from 96,9 per cent in July, to 67,8 per cent in August and 19,8 per cent in September as the chain fought to achieve growth on the "phenomenal increases" recorded from September in the previous year

"This decline, compounded by a disappointing October, ran counter to the earlier welcome signs of a mild resurgence in consumer spending, and underlined the fragility of the recovery, which could easily be reversed by adverse economic or political events

"In the light of these circumstances, the impressive gains in sales and profits contained in recent corporate announcements do not necessarily herald a new continuum of prosperity," Mr Jansen said

In the furniture sector, the sales revival in recent months had heightened expectations and encouraged most retailers to lay in stocks If sales expectations were not realised over the approaching peak trading period, the resultant stock overhang would have to be moved at any price, thus decimating margins in an already fiercely competitive market

Mr Jansen said it was disconcerting to observe a "drift" towards a tightly regimented economic policy, subject to a maze of bureaucratic control which, in essence would dampen competitive forces and limit the scope for free enterprise

Nevertheless, taking an expected slower growth in the latter half of the financial year to March 1987 into account, the company expected to achieve sales of not less than R110 million (an increase of 31 per cent over last year's R84 million) which would result in profits before interest and tax of not less than R8 million, an advance of 57 per cent over the previous year's R5 million

Looking ahead, he challenged the view that the ecomy had entered an expansionary phase

"For as long as inflation rates continue to erode the growth in disposable income and savings remain negligible, it must be recognised that the consumer's propensity to spend is limited With unemployment levels on the rise and job security on the wane, the average wage earner will be reluctant or unable to take advantage of the current credit availability" — Sapa

25/11/86

21/11/86

BUSINESS DAY

188

Sudden slide in furniture sales

Industrial Reporter

FURNITURE sales have taken a nosedive from mid-September, much to the surprise of retailers nationwide

Furniture executives say they were experiencing a "mini-boom" at mid-year when — for reasons largely unanticipated — sales abruptly slowed

"The wheels fell off in mid-September," said Ian Sturrock, president of the Furniture Traders' Association and Russells MD

Stores that rely on white customers have been particularly hard hit

In fact, Ellerines and World Furnishers, who cater almost exclusively to the black market, have seen no slowdown.

But numerous firms say they were taken by surprise by a sudden drop-off in sales in September.

The Retail Liason Committee (RLC), which monitors non-food retail chains, reported growth rates at furniture stores for July and August running 22% ahead of last year.

RLC chairman Derek Russell said the growth rate suddenly dropped to 10% in September and has held steady ever since

Beares was expecting a lengthy boom when 30% growth levels were recorded in July and August, only to see a drop to 10% in September, said Transvaal GM Andre de Beer

Growth rates at Morkels have also been slowing since September, says merchandise director Erwin Rohrs. "We've had to work hard for every rand"

A Bradlows Stores spokesman said the slump was avoided only by the launch of a major annual sale in September but "things have been dead the last two weeks"

Amalagamted Retail bucked the trend In fact, MD Stan Berger said sales to white customers had improved since mid-year, while the black market had grown tighter

As the holiday season approaches some stores are reporting a gradual pick-up in sales, although not to pre-September levels

At Russells, Sturrock said sales remained at low levels since mid-September but started picking up last week

Wednesday, December 3 1986 Bus DAY

Office furniture bottoming out

188

NORMAN SHEPHERD

OFFICE furniture suppliers ~~hope next~~ year will see the loosening of the grip of recession.

More than 30 companies closed down and a dozen restructured last year. Industry spokesmen say the recession squeezed the market by 40% and weeded out the weak

Turnover has fallen to about R120m from R200m. But some large suppliers hope improved sales in the past four months signal an end to a rough 18-month period.

The upper end of the market, the supply of prestige office systems, has held up well as clients have mainly been multinationals and corporations.

However, spokesmen say the middle and small end of the market has virtually dried up. With insolvencies showing no sign of abating, this market segment is not expected to improve in 1987.

MANUFACTURING FURNITURE

1987

World Furnishers boosts profit 39%

(188) Finance Staff Cape Times 29/7/87

JOHANNESBURG — World Furnishers' excellent results for the first half of 1987 reflect a strong positive growth in sales for the W & A group's furniture arm

Turnover rose by 22%, reflecting real growth of 5%, in the six months to June and pre-tax profit leapt by 71% to R2,3m (R1,3m)

Although the group's finance costs were significantly lower, the tax rate leapt as tax losses have been fully utilized

This narrowed the taxed profit increase to 39% at R1,4m, up from just over R1m

An interim dividend of 5c has been declared out of earnings of 14c a share

There was no interim payment last year from interim earnings of 10,1c a share, but a 15c final was paid out of total earnings of 50,6c a share

Confidence

World's turnover increased to R40,1m from the 1986 half-year's R32,8m, thanks to better trading conditions and strong consumer confidence in the company, say directors

The results also reflect the benefits of strict discipline on turnover growth, ensuring the business written is good and sound at all times Finance charges were reduced to R574 000 from R945 000, a 39% decline

However, World's tax rate increased to 40% from 26% and tax climbed to R936 000 (R356 000).

There was a further profit of R1,6m from the sale of Jazz Stores shares Last year this deal brought in a total of R9,9m

World chairman Ruben Swidler says the reasons for the spectacular profit rise were controlled growth, strict credit control, improved efficiency and a massive increase in productivity

He is confident that second-half earnings will be higher than last year's earnings of 40,5c in the six months to December

Mattress workers lay down tools

By SEFAKO NYAKA

MORE than 1 000 furniture manufacturing workers in Johannesburg downed tools yesterday after the dismissal of over 400 workers at the Transvaal Mattress Company (TMC) in Booysens early this week.

The company, which is part of the Afcol and South African Breweries group, has a closed shop agreement with the National Union of Furniture and Allied Workers (Nufaw), affiliated to the National Council of Trade Unions (Nactu)

The agreement forces all employees at the company into automatic membership of Nufaw. The agreement was signed before Nufaw joined Nactu from the defunct Tucsa.

The 400 TMC workers — who are members of the Paper Wood and Allied Workers' Union (Pwawu) and the National Union of Metalworkers (Numsa) — were dismissed on Tuesday after an hour-long stoppage over the dismissal of two workers, including a Pwawu shop steward.

Yesterday a joint Pwawu/Numsa delegation was locked in negotiations with the employer organisation, the Transvaal Furniture Manufacturers Association. According to Pwawu general secretary Jeremy Baskin, since March "thousands of furniture workers have been fighting to join Cosatu" but were preventeed from doing so by the closed shop agreement with Nufaw.

He warned management that the days of "tame closed shop agreements are over".

Pwawu will be holding a meeting at the Regina Mundi Church on Sunday to formulate a response to the agreement.

W/Mail 24-30/7/87

ARGUS 17/7/87 (186)

Pay talks deadlock: 25 000 set to strike

By DICK USHER
Labour Reporter

THE staple food industry faces the threat of a national strike by more than 25 000 workers in the milling and baking sector after wage talks deadlocked

Talks in the milling industry involve the Premier group and Sasko, while negotiations at bakeries owned by Premier are also deadlocked

Talks with the third giant in the market, Tiger Oats, are expected to start soon

The deadlock was announced by the Food and Allied Workers' Union (Fawu) A union statement last night said the planned industrial action would be the first on such a huge scale in the industry

Fawu's demands for an R80 increase, which would raise the weekly minimum to R200, had been turned down

CALL TO REVISE

Employers asked workers to revise their demands substantially before they could make any significant move on their own offer

"The talks broke down after bosses revised their offer by only R4 in response to workers dropping their demand by R18," said Fawu

"When workers refused to make any more concessions, bosses withdrew their additional R4 offer, pushing their minimum down to R138 This has angered workers who are demanding immediate action"

Fawu said the companies were "clearly in a position to meet workers' demands"

Sasko profits had increased by 31 percent to more than R30-million last year

Premier had also boosted its trading profit by 22 percent to R152-million this year

BIG PROFITS

"The huge profit increases have been accompanied by spiralling food prices Latest figures indicated that food prices, which increased by 28 percent nationally, were the main contributors to inflation," the Fawu statemen said Fawu

The union claims that the huge profits made by the companies are directly dependent on the workers

The staple foods produced by these companies — including mealie meal, margarine, edible oil and flour — were largely consumed by the working class

"Workers also point out that the co-operation between the milling companies over wage rates has effectively kept rates very low," said Fawu

"It is worth noting that while bosses compete fiercely for market share, they team up against the union when it comes to wage negotiations"

Plant-level wage deal for metal industry

Argus 30/10/87

Labour Reporter

THE first plant-level wage agreement in the Western Cape metal industry has been signed

Mr Brian Williams, assistant general secretary of the Metal and Allied Workers Trades Union, said today the agreement had been made with Renak and provided for a minimum wage of R3,30 an hour.

This was nearly 70c higher than the minimum of R2,61 an hour laid down in the industrial council agreement for the metal industry

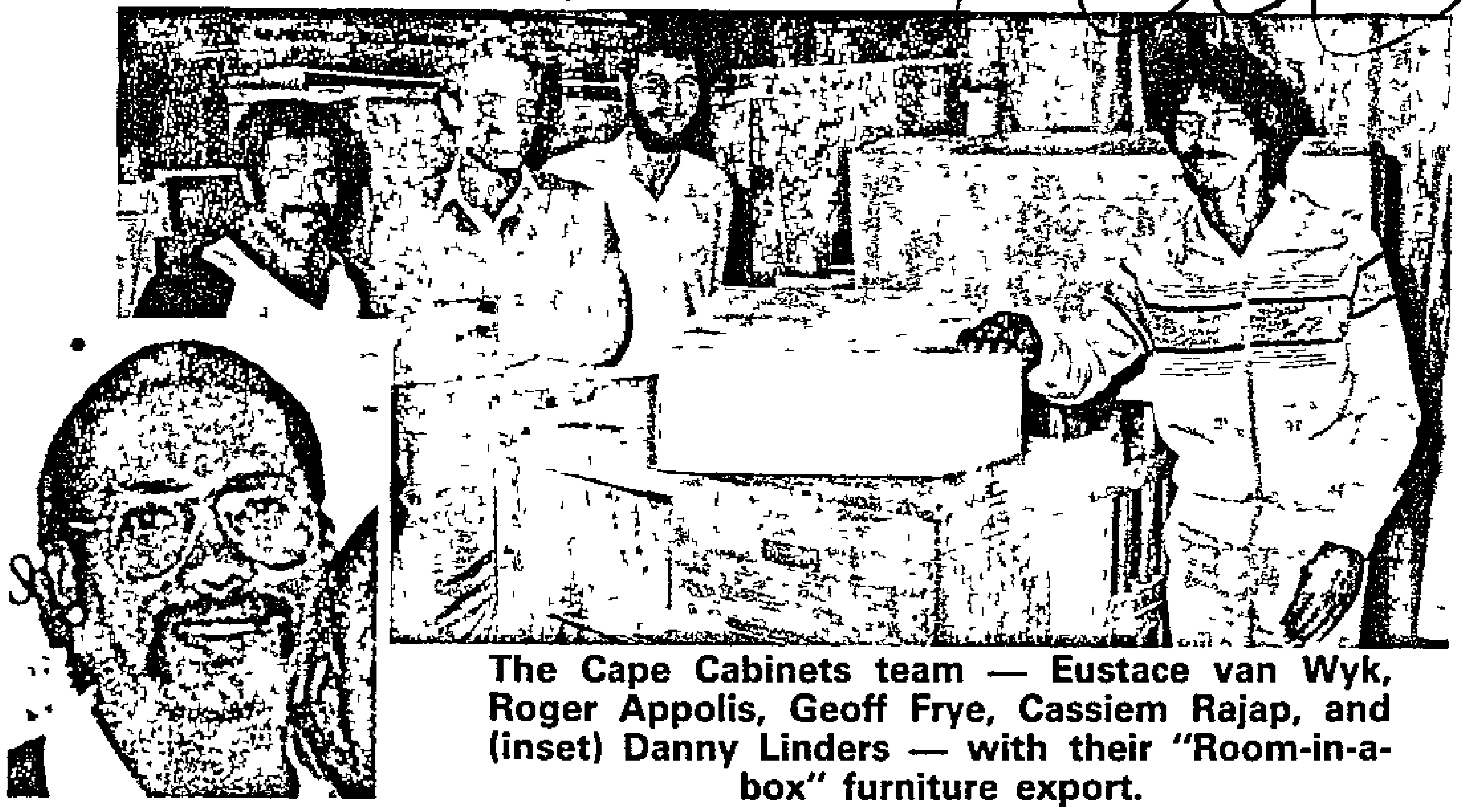
"The agreement also provides for a maternity benefit of guaranteed re-employment and paternity benefits, which will give fathers paid time off to attend births and for urgent domestic matters," said Mr Williams.

Paternity benefits would be monitored by worker representatives

A factory run by the staff for the staff

Cape Times 23/5/87 188

Taking a leaf out of the new-style European management book, a small Atlantis factory, Cape Cabinets, is blazing a trail for South African employee advancement and training. JANE ARBOUS visited the company and was fascinated by its participative management approach.



The Cape Cabinets team — Eustace van Wyk, Roger Appolis, Geoff Frye, Cassiem Rajap, and (inset) Danny Linders — with their "Room-in-a-box" furniture export.

CAPE CABINETS is run by the people for the people — a concept taking shape slowly in South African business where the workforce is mainly coloured or black and the management is still white

Geoff Frye, general manager of CC, did more than talk about employee advancement Less than two years ago he took four of his best workers — armed with only technical experience — off the floor and turned them into a management committee, and then into THE management

Since then, the company has notched up record turnovers, suppliers have battled so much to keep up with demand that schedules have had to be brought forward, and this week Frye flew to America to tie up their first export deal

The latter is a direct result of the 20% increase in productivity of the factory's 219 employees The company probably has the highest productivity in the entire furniture industry per man-hour worked

And while Frye is away, the task of his deputies is to set their professional and personal goals for the next two years, five years, and 10 years

Frye comments "The industry has always imported management skills and not really looked at the local talent — which 10 years ago wasn't there because there was no training "

Ten years ago the Furniture Industry Training Board was established and since then Frye has become totally committed to training on a skills and supervisory development level

In October 1985 he phased out the classic management structure in the company, investigated the potential of his manpower resources and identified four supervisors whom he thought had management potential to form a management committee

In June 1986 the committee members, of whom three live in Atlantis, were promoted to management level Cassiem Rajap became production manager, Eustace van Wyk machine shop manager, Roger Appolis assembly shop manager and Danny Linders polish shop manager

By January this year the four were responsible for running the company "learning manpower skills on the job"

On the first working day in January, Frye fell ill and was put off work for six weeks

"It was their first test and I let them do the worrying It was unbelievable," he says

Business took off When he returned to work, the factory was running one week ahead of schedule and breaking production records Turnover and productivity had shot up by 18%

This was bettered in April, despite the short weeks, and turnover for the month broke the preceding month's by 20%

The achievement is summed up by the fact that in the company's first three years of operation in Atlantis, it took double shifts to do half the turnover Staff turnover has been slashed also — a good indication of employee happiness

The committee's success has highlighted the problem of management succession and back-up So, a three-year development programme devised in conjunction with the Furniture Industry Training Board has been started for six young trainees

The first group were packers with matric Their most recent projects over a four-month period have saved the company R52 000 a year

"The first motivation here is security for all employees They don't talk cash (apart from an obviously fair wage), they talk security and status "

Financial incentives could come at a later stage

Although they work a 40-hour week, they are paid for 44 hours — a 10% advantage over the rest of the industry's workers

Frye says the increased productivity has been used to create job opportunities and reduce product prices rather than to produce profits

"Our message is that motivation is self-motivation and self-discipline The factory is really run by the people — they decide who gets hired, they do the planning "

Businessmen 'can't avoid politics'

JANE ARBOUS

SOUTH AFRICAN politics and economics are now so entwined that it is "virtually impossible" for prominent businessmen to express views on economic policy without saying something about political or constitutional development at the same time, Reserve Bank Governor Dr Gerhard de Kock says in the latest edition of Leadership

Following hard on the heels of the Chris Ball row, De Kock says in the lengthy magazine interview that he believes in the right of businessmen to dissent politically and publicly

However, he adds a qualification that business leaders in responsible positions with a high profile "must of course be careful in what they say or do — simply because they are what they are

" But businessmen have a duty to inform government about how they feel "

The country has been given "a breathing space" as far as international investor perceptions are concerned

"The danger is, however, that we won't use this breathing space," De Kock said

Extent of pay hikes a secret

GERALD REILLY

PRETORIA — Government is keeping the extent of public sector pay hikes a close secret until after May 6 — and with good reason, political observers say

The increase is unlikely to be more than 12% — it could be less — and it is unlikely to be backdated to April 1

If this were announced before the elections, the NP could lose significant support to the right

There are more than 400 000 whites working for central government, Sats and the Post Office Add their families, and the total amounts to a vital voting block of more than a million voters

Post Office staff associations were informed earlier this week that the salary issue was being considered and that the "necessary announcement will be made in the various budgets"

Meanwhile, Artisan Staff Association secretary Willie van der Merwe says the Federal Council of Sats Trade Unions is still waiting for an interview with Transport Minister Eli Louw

"We seem to have reached a stage where our 15% wage claim is being negotiated through the post This is unacceptable We want a face-to-face meeting with the Minister before the official pay announcement is made, " he says

Anglo Dutch in R9m deal

MICK COLLINS

ANGLO DUTCH has been awarded the largest office furniture contract ever awarded in SA The contract, worth about R9m, is for desking and storage at Standard Bank's new administration building in Johannesburg

Manufacturing for the contract is due to start in May, with delivery beginning in August

Anglo Dutch has landed many major contracts recently, including Mobil, Wooltru, Soekor, BMW, Saambou, Norwich Union, the NBS computer centre, Liberty Life and Sage Insurance

It says it redeveloped its already successful Terminal 7000 desking system to complement Standard's space-planning concept, and also designed a new storage system, solving intricate filing requirements with fewer components

MD Ivan Weltman is confident his massive Tulisa Park manufacturing plant can produce the combined requirements of these clients and still run below total capacity

With the recent addition of new production lines, automated machinery and factory construction, Anglo Dutch is capable of producing R90m of furniture in one working year, he says

Steep rise in financial rand forecast

21/3/87

By DEREK TOMMEY
Finance Editor

FOREIGN currency dealers are forecasting a 35 US cents and possibly a 38 US cent financial rand within the next month of so

These cheerful forecasts follow this week's spurt in the currency to 30 US cents The currency has now risen 50 percent since December and is at its highest level since last May

The financial rand rate tends to be regarded as a reflection of foreign investor confidence in South Africa

It is the currency which foreign investors have to use when investing or disinvesting from South Africa

STRONG INFLOW

A falling and low financial rand indicates that there is more foreign money flowing from the country than coming to it A rising and high financial rand indicates a strong inflow of funds to South Africa

Mr Ken Wilson of Currency International in Johannesburg said today that there is a general feeling in the market that the financial rand could soon reach 35 cents

The possibility that it could go to 38 cents, at which point it would be standing at its traditional normal discount of 20 percent to the commercial rand, could not be ruled out

The recent firmness in the financial rand is attributed to foreign investors, encouraged by the decline in unrest and the high returns available when investing through financial rands, starting to put money back into this country

Investment in South Africa through the financial rand is an attractive proposition to foreign investors

They get ultra-high returns through being able to buy investments here at discounts of 40 percent (and in the past much more) of the local price

And with the rand and the financial tending to rise rather than fall, there is also the possibility of making a huge capital profit

The British magazine, The Economist, pointed out this week that so far this year share prices on the Johannesburg Stock Exchange, when valued in financial rands, had handsomely out-performed shares in all other major centres

A foreigner who had bought the "market" in December would be showing gains of 36 percent by the end of the first week of this month

The only market to come near this was in London where shares rose 29,0 percent Lagging a long way behind were Singapore (23,1 percent), Toronto (21,9) New York (20,3 percent) and Tokyo (16,1 percent)

With the financial rand possibly rising a further 27 percent in the next month or so, investment in South Africa through this currency is still highly attractive

This probably accounts for the continued rise in the currency

Gilt-edged dealers say there has been considerable foreign interest in the market lately

Three weeks ago there was one order alone for R35-million worth of stocks

Currency dealers also report that foreigners have been showing considerable interest in the purchase of industrial property

This has raised the question in financial circles whether the Taiwanese may not have been some of the major buyers of financial rand in the past few weeks

Taiwanese officials in Johannesburg make no secret of the fact that the have been investing heavily in the homelands and independent states

An official at Republic of China Embassy in Johannesburg said today that there were 70 Taiwanese factories operating in the development areas, and were producing about R160-million worth of goods a year

He added that a further 30 companies were also seeking permission to invest in South Africa through the financial rand

However, there is a suspicion that the Taiwanese might also have been behind some of the other financial rand investments recently

Their highly successful export drive has pushed up their foreign exchange holdings to the quite incredible figure of $51-billion (R106-billion)

In spite of exchange controls in Taiwan, some Taiwanese are already believed to be investing funds in South Africa

TORRENT

And there is a growing belief in the market that the abolition of exchange control would lead to a torrent of Taiwanese funds entering this country

Dealers point out that South Africa is one of the few countries in the world where communist China can not force the Government to take action against them

Bankers have noted major interest in the Far East in financial rand investment here But that say that the money could also be partly Japanese — and possibly even American funds which are being channeled through Tokyo.

(182)

BUSINESSMAN OF THE WEEK

W/E Argus 21/3/87 (188)

Designer with a flair for business

By DEREK TOMMEY
Finance Editor

A LOVE for Scandinavian-designed furniture, a zest for living and, obviously, considerable ability has made Neil Turner one of South Africa's major office furniture manufacturers

He described himself in an interview this week as mainly a furniture designer But this 47-year-old Johannesburger, who has been obliged to live in Cape Town (which he thinks is the most beautiful city in the world) for the past 16 years because his Danish wife thought Johannesburg was too far from the sea, is much more than this

"THE BEST"

It is clear that part of his success is the result of indentifying a gap in the South African furniture market and going for it As a result he is now able to aim for number three spot in the market and has thoughts of obtaining in time a Main Board listing on the Johannesburg Stock Exchange for his company, Skandia Furniture

However, he does not aim to be the biggest "just the best".

Mr Turner did not set out to be a furniture designer or an industrialist As a young man he intended being an architect, but a visit to a furniture exhibition turned his world and ambitions upside down

Neil Turner . . . "Design must be functional as well as beautiful"

"In 1964 I was working for a London architect, studying architecture part-time One evening I went to an exhibition of Danish furniture and fell in love with the magnificence of Danish design

"The next day I told my boss I was off to Denmark to study furniture design and spent the next six years doing that I worked for a Danish architect and got to know some of the best Danish designers"

He learnt about effective product design — that it must be functional as well as beautiful — and in 1970 returned to South Africa with his wife, Rita, and started working for a furniture manufacturer in Cape Town

But the next year he went on his own, buying his present company which "was employing three people on a good day and two at other times"

He was joined in the business by his wife who became marketing manager and by some key personnel and, making office as well as ordinary furniture, was soon employing between 40 and 50 people

At this stage he decided to specialise in office furniture

"We evaluated the market We became market oriented, designing towards the market needs and then trying to sell it"

Skandia was also able to take advantage of another development "We saw the movement towards environmental seclusion or territorial prerogative Totally open plan is unsatisfactory as it gives people no territory they can call their own People need this and having your own office has become a huge plus factor"

However giving staff their own offices can be an expensive operation Skandia has helped companies overcome this problem by designing a space-efficient office system

"You can increase the density of the office population if you don't negate the quality of space You just need to take the waste space away You can make space savings of between 20 percent and 40 percent

"It is now possible to achieve an effective work area in six square metres The average office area is 15 square metres

The outcome is that today he has a large modern factory at Philippi employing between 200 and 220 people

Following a revamping last year of the Skandia organisation to prepare it for further expansion, Mr Turner is looking to new markets

"Sales have never been so good We're in a tremendous upturn which is an ideal time for development"

(88)

Cape Times 7/3/87

Pauw looks back on the Morkels revolution

Rian Pauw

By JANE ARBOUS

RETIRED Morkels chairman Rian Pauw has seen the company edge away from disaster to become a top performer in the furniture industry over the past nine years

When he accepted the post in 1978 at the height of his career at parent company Federale Volksbelegging Beperk, his colleagues in the business world quipped that he was committing "career suicide"

Then, the performance of Phil Morkel Limited, of which Morkels was a relatively successful component, was so bad that Federale decided to seek a de-listing to protect minority shareholders' interests

Pauw says "I had the help of Federale director, Koos Jacobs We moved our headquarters to Cape Town, and once we began working with Carl Jansen, who took over as MD of the Morkels furniture chain, I became more optimistic"

He is proud of the fact that the resurgence to the forefront of retailing and growth — 74 furniture outlets and 10 Totalsports stores — was wholly financed from within

Morkels fixed its marketing star on quality assurance, expressed through "Morkels, your two-year guarantee store" which actress Trudie Taljaard made a household phrase through TV advertising

Pauw says "The highlight of those first two or three years was simply the fact that we survived"

FVB had to close, among others within the old Phil Morkel organization, the R Muller music division (a business killed by the advent of television), retailer Ellis and Co, wholesaler Polliacks, and its Lewis Appliance Corporation refrigerator plant in Boksburg

"Morkels had lost two years in reorganization Two years later Morkels results in terms of profits, turnover per store and productivity per employee began to leave the competition in the dust"

"Looking forward, the objective must be towards tackling specialist retailing on a wider scale"

As to his retirement, Pauw believes his timing is excellent He and his wife Les decided four years ago that he would retire when he turned 55 — and that was last year

B/Day 10/2/87 (188) (30)

Furniture group does well

Business Day Reporter

FURNITURE FAIR, the Cape furniture retailing group listed on the JSE in August, lifted earnings 69% to 4,99c a share in the six months to end December 1986 — 11% below the company's forecast of 5,6c a share for the full year.

A maiden interim dividend of 2,5c a share has been declared.

Furniture Fair has shown impressive growth in its relatively short period of existence. Turnover reached R6,1m, 98% up on the same period in 1985 and already ahead of the turnover for the full 1985 financial year.

Earnings in the six months increased to R375 000.

MD Ivan Hammerschlag said he was delighted with the company's performance, particularly in view of the generally depressed consumer market.

He attributed Furniture Fair's continued success to its policy of aggressive target marketing and tight management and credit control.

"Our results are ahead of expectations in all respects," he said.

He added the group was well on [illegible] becomin[g] the dominant furniture retailer in the Western Cape. A new store that opened in Wynberg in September was making a substantial contribution to group profits, with a further major boost due in March when the group's new 550m² Mitchell's Plain store comes into operation.

Mitchell's Plain is one of the prime growth areas in Furniture Fair's target market.

"In view of the fact that the company is ahead of its budgeted targets and that these budgets did not include the Mitchell's Plain contribution, the directors expect a further substantial increase in earnings in the second half of the year."

One of Furniture Fair's strengths is the fact that it finances its own instalment sales agreements. Tight control of the debtors book has enabled the company to offer credit terms to an expanding client base, while maintaining collections at a budgeted and strictly monitored level.

Furniture industry looks to mini-boom

188 SUN TIMES 4/1/87

By Udo Rypstra

OPTIMISM about 1987 is rife in the furniture and consumer-durables industries

They are talking about an "explosion in demand"

One reason is that furniture manufacturers, whose sales increased by between 30% and 40% in 1986 from a low 1985 base are beginning to feel the effect of lower hire-purchase charges

Another is the belief that State spending on black housing, electrification of the townships and the acceleration of black urbanisation will have factories running and tills ringing at full go in 1987

A study by Credit Guarantee Insurance Corporation, South Africa's national credit insurer, shows that expectations of continued high inflation and price increases have spurred demand

The corporation says the current recovery is strongest among white shoppers whose disposable incomes are heavily influenced by bond repayments have fallen because of the drop in interest rates

Activity slowed after pre-Christmas stocking up by retailers, but the industry as a whole has stabilised Employment is now holding steady, although the work force is still 77% of its former self, and no more big companies have been closed or liquidated

Manufacturers believe growth will continue in the short term, boosted considerably through black spending — provided the political environment remains relatively stable

However, it is not all a bed of roses

A major obstacle to growth is the persistently high inflation rate and with capital-intensive companies operating in a climate of strong competition, higher input costs and conservative profit margins could reduce capacity for expansion This is leading to supply shortages in certain instances, says the study

The corporation says the industry is expected to remain relatively unscathed by sanctions in the short and medium term

"Most of the machinery used in manufacturing is imported, mainly from West Germany, but there is much available locally at the moment due to the number of closures of manufacturing concerns

Emphasis on growth in consumer durables is more likely to be in white goods — fridges, stoves, etc) than in brown goods (TV sets, videos etc) in the next five years says the corporation

COMPANIES

B/Day 6/2/87

Joshua Doore on target to attain earnings forecast

188

● SUSSMAN

MERVYN HARRIS

JOSHUA DOORE, the restructured furniture group, has made a dramatic turnaround from a loss of R1,5m to taxed profit of R2,1m for the half-year to end-December 1986.

An interim dividend of 1c has been declared and MD David Sussman is confident the company will achieve its forecast earnings of R3,7m for the financial year to end-June

When the 19 stores of Johsua Doore, formerly part of the Russels group, merged with the six Price 'n Pride stores in April last year, Joshua Doore was running at a loss of R2m because of a heavy 5m interest bill of R2,5m.

The pre-tax profit of R546 000 earned by Price 'n Pride gave the group a combined pre-tax loss of R1,5m in the half year to December 1985

The consolidated income statement for the six months to end-December 1986 shows operating income of R4,67m on turnover of R61,8m

Non-recurring costs of R550 000 involved expenditure on an advertising campaign, to restore Joshua Doore's image, and start-up costs of the new computerised debtors system

Adding back the one-off expenditure gives shareholders an indication of the underlying strength of the trading pattern, which shows a R6,3m turnaround to pre-tax profit of R4,8m.

With the balance sheet restructured to give a healthy debt/equity ratio of 0,25 1, the interest bill has fallen to R411 000, leaving pre-tax income of R4,2m

In line with current legislation, the company has provided for tax at the full rate but Sussman points out that, due to the growth of Joshua Doore's debtors book, the entire tax of R2,1m has been deferred, thus strengthening the group's cash flow

Income after the tax charge is R2,1m, yielding 3,07c earnings

Sussman says the company intends to expand Joshua Doore and Price 'n Pride, which are trading at present under their own names

"There will be a continued rationalisation of overheads in the group and, while we expect margins to come under pressure, the restructured company is well placed to take advantage of any upturn in consumer spending"

In one of the largest deals put through the market for many years, 38% of Joshua Doore's equity was sold by Tradegro last month to several institutions in a special deal

A further 6% of the equity was sold by Tradegro to a consortium of management, New Bernica and Lifegro, which increased its stake from 25% to 31% The consortium intends to exercise its option to acquire a further 25% of the equity held by Russels

Now that the shares are held in strong and stable hands, it should enhance their value The shares eased 2c to close at 90c ahead of the results

Morkels aims for 60% leap in profit in its first year on the JSE

Carl Jansen — more to Morkels than furniture

188

S/T 1/2/87

(29)

By David Carte

MORKELS, Federale's high-growth furniture and sports-goods chain, aims at a 60% spurt in taxed profit in its first full year on the Johannesburg Stock Exchange

In the year to March, the 84-store company is confident of pro forma earnings of R3,1-million on sales of R111-million

These sales and profits are virtually "in the bag" Next year it wants a taxed profit of "R5-million plus" on sales of R136-million

To effect its listing, Morkels will issue 10-million new shares to Federale which owns its 100% at the moment

Federale will privately place the 10-million shares with its own shareholders, Morkels staff and suppliers at 95c a share, reducing its stake to 75%

Market share

Morkels sales from 1982 to 1986 read R48,7-million, R46,9-million R60,4-million, R67 1-million and R83,9-million This year they are projected to rise to R111-million

The industry's figures fell by 4,3% in 1985 and 2,3% in 1986 in money terms, but are expected to grow by 17% in the year to March, so Morkels has clearly gained market share

Although nearly every other listed furniture retailer has oozed red ink all over its income statements this is the Morkels 1982-1986 pro forma taxed profit track record R2 9-million R2,4-million, R2,2-million R0 8-million, R1,2-million As stated profits are set to nearly treble this year and to grow another 60% next year

Earnings a share in the year to March are expected to be 7 6c moving up to 12 7c in 1988 This puts the issue price on a PE of 12 5 and a dividend yield of 3 6%

TV housewife

Shareholders funds have grown from R13-million when present management took over in 1978 to R37 million in March 1987 The issue price is thus close to net assets

Between 1982 and the present, Morkels has increased its number of stores from 48 to 74 Management says the new stores are only starting to mature so there will be plenty of organic growth from existing operations The aim is to expand to between 100 and 130 shops

Morkels TV advertisement, featuring Trudie Taljaard, the model of a suburban SA housewife enthusing about "Morkels, the two-year guarantee store" appalled English elocutionists, but has done wonders for company sales and market share

Today Trudie is recognised wherever she goes as "Mrs Morkels"

Morkels was once a small part of troubled Phil Morkel, which included SATV, now Tek, Lewis Appliances and R Muller Since Federale separated it from them and placed it in the care of Carl Jansen, it has outperformed its rivals in furniture

Seductive

Mr Jansen has a high-powered team of young thinkers at head office, setting policy and direction and a committed staff in the field

The company is known for a scientific choice of merchandise, seductive store layouts — and the ability of its furniture salesmen to make computerised quotes on hire-purchase deals

Four years ago Morkels launched Totalsports, a chain of 10 sports shops, that has also made leaps and bounds in market share

Mr Jansen says "Morkels as we see it is a retail business, not merely a furniture business Furniture is cash hungry and cyclical, hence the Totalsports diversification Now we are looking at other areas of retailing."

Federale announced this week that Neville Organ is to become chairman of Morkels

Orders for first-quarter bleak, say furniture-makers

NM 31/1/87 188

Finance Reporter

FURNITURE manufacturers report that the end of year up-surge in furniture sales appears to have already run its course

The industry has restarted business after the break with order books again reflecting the shortage of money to buy new furniture

One manufacturer described his orders for the first quarter traditionally the quietest as bleak' yesterday and forecast this year s trading would closely emulate 1986 levels

The fall-off in sales has left retailers over-stocked which under current conditions is expected to take some time to clear

Mr Joe Grundlingh, a leading figure in the industry yesterday forecast further price increases 'much in line with the inflation rate

He said they were unavoidable in view of higher cost of hardwoods, polyurethane, fabrics and labour

The industry's hardwood needs are imported either from Brazil or the US with payment in US dollars and have been subject to domestic increases

But polyurethane a major component, has almost quadrupled in price over the last four years

Mr Grundlingh said the industry, which has seen 7 500 jobs wiped out and 252 liquidations in a 20-month period following hire purchase adjustments in August 1984 has little choice but to pass on increased costs

He said the smaller number of suppliers meant the industry was under constant pressure with manufacturers having little recourse but to help recover reduced margins from consumers

BUSDAY 23/1/87

26-million shares change hands

Tradegro in R16m selloff of J Doore

188

BRIAN ZLOTNICK
Investment Editor

IN one of the largest deals put through the market in many a year, 37% of Joshua Doore's equity, worth R16,2m, was sold by Tradegro yesterday.

Tradegro, through stockbrokers Frankel Kruger, sold 25,7-million Joshua shares at 64c to several institutions in a special deal.

The deal was struck at an enormous discount to the then-ruling market price of 98c and the share finished the day unchanged at 98c.

In order to shift through the market such a high percentage of a company's equity — thought to be the highest in more than a decade — the seller often has to accept a much lower price.

In another transaction outside the market, Tradegro sold 4,3-million shares to the triumvirate of management, New Bernica and Lifegro, which already had a 25% stake and the option to acquire from Tradegro a further 25,1% at net asset value a share before March 1989.

Tradegro CE Meryn King said management control of the furniture retailer was in the hands of David Sussman and Arnold Witkin, even though Tradegro, via Rusfurn, had 68,9% of the equity.

King said besides the management control situation, the other major reasons for the disposal were to reduce Rusfurn's gearing ahead of its listing later this year and because Joshua was the only stock in the furniture sector trading at a premium to net asset value a share.

The current net asset value is about 45c a share.

New Bernica CE Arnold Witkin said: "We are delighted with the new shareholders and opportunity to increase our stake. Joshua Doore is now a totally independent company with strong shareholders and a dynamic management."

Joshua was brought to the market six months ago through a reverse listing into cash shell Consure.

Management expects turnover to pass the R100m-mark and earnings to exceed the pre-listing forecast of 5,7c for the current financial year.

FM. 8 May 1975

10 Oct 1986; FM; Tradegro

Checkers
Tradegro
Metro
Cashbuild
Jazz
Joshua Doore

26-million shares change hands

BUSDAY 23/1/87

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Pull-out after threat of terror

BDSDAY 23/1/87

DUTCH vinyl floor producer Frobo-Krommenie (FK) plans to cut ties with SA after receiving warnings from police of possible terrorist attacks, a company spokesman in Assendelft, Netherlands, said yesteday.

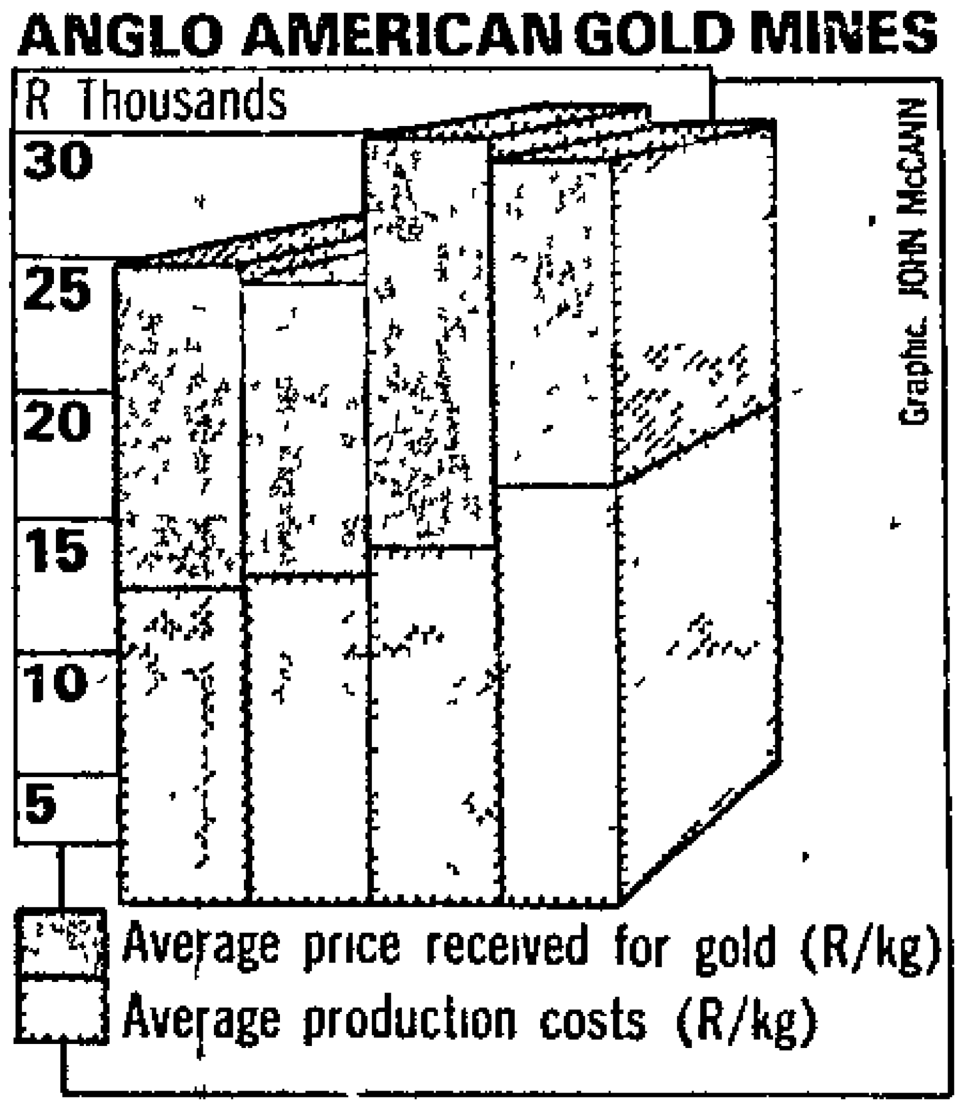
The announcement comes three days after leading Dutch trading company SHV said it was "conceding to terror" and would sell its Makro stores in SA

The move will not greatly affect FK's Durban-based agents Krommenie Ltd, since the Hepburn-family-owned Industrial Investment Company bought FK's SA operation five years ago

Krommenie MD Gavin Jeffrey said last night "The FK product lines that we handle account for a very small amount of our business The bulk of our flooring products are made locally"

Krommenie employs 500 people and has an annual turnover of R50m

ANGLO AMERICAN GOLD MINES



ABu
Papers by T. Lodge
in A. S.
Archive

Legal Ellerines strike looms

BRONWYN ADAMS

B/day 2/12/87

THE conciliation board (CB) for the Commercial, Catering and Allied Workers Union (Ccawusa) and Ellerines Holdings was terminated at midday yesterday, after failing to reach agreement on wages and commission targets.

The union would be entitled to go on a legal strike from December 8, said Ellerines human resources GM Pierre de Villiers.

He said the union remained rigid in its demand for a R200 across-the-board monthly increase, and a minimum of R550 a month. Management did not shift from its offer of a minimum R94 increase.

Ccawusa continued requesting the establishment of a commission target for sales personnel, while Ellerines rejected the notion as outside the bounds of negotiation

Referral of the dispute to voluntary mediation or arbitration could not be agreed upon, he said. The Minister of Manpower is expected to receive the CB report by December 7.

The union was unavailable for comment.

CCAWUSA VOTES FOR STRIKE

Ellerines dispute

By LEN MASEKO

SEVERAL thousand Commercial Catering and Allied Workers' Union of South Africa members have voted to go on strike at Ellerine furniture group stores from today, a Ccawusa spokesman said.

Ccawusa official, Mr Jackie Masuku, said union members at the company's Transvaal stores will go on strike today while those in the Free State and Eastern Cape will join the action tomorrow

Cause

Ccawusa members at Ellerines' Western Cape and Natal Stores had voted to go on strike at a date to be announced later, Mr Masuku said

The cause of the strike is Ccawusa's demand of a minimum wage of R550 a month and a R200 across-the-board increase In response, management has offered an increase of R94 to all employees, and a R340 minimum wage for "external" sales employees and R464 for "internal" sales employees

Mr Masuku said management had proposed a meeting between the two parties "but placed certain conditions before it could take place" He said these conditions included an undertaking from the union that it will not "take any industrial action if the meeting" failed to resolve the dispute.

Opposition

An Ellerines spokesman said there were strong indications that employees at the company's Natal, Vaal Triangle and the Free State stores would not go on strike There was "considerable opposition to strike action" from employees at these stores, he said

"The company is open to further meetings with the union but the company is equally not prepared to negotiate bankruptcy of the company and to put employees jobs in joepardy," the spokesman said

COPS STOP SHOW

Sowetan 17/12/87

Clamp on free festival

By THEMBA MOLEFE

THOUSANDS of music lovers were turned away from a free, star-studded festival yesterday by security forces who surrounded the Jabulani Amphitheatre in Soweto

Police headquarters in Pretoria said the South African Police were not aware of the incident, as it had not been reported by the time of going to press

Cultural

The event, organised by the Black Cultural Concern Group (BCCG) as a free cultural festival "for the people," failed to get off the ground as members of the forces surrounded the amphitheatre from as early as 8am

Music fans were told to disperse by the officers who used loudhailers. "The festival will not take place today, please go home," they said

Mara Louw and her husband Bill Thomson were turned back at a New Canada roadblock as they drove into Soweto for the festival yesterday at noon

Mara Louw is the president of the South African Musicians Association

BCCG's co-ordinator, Mr Muntu Myeza, said his organisation would take legal action.

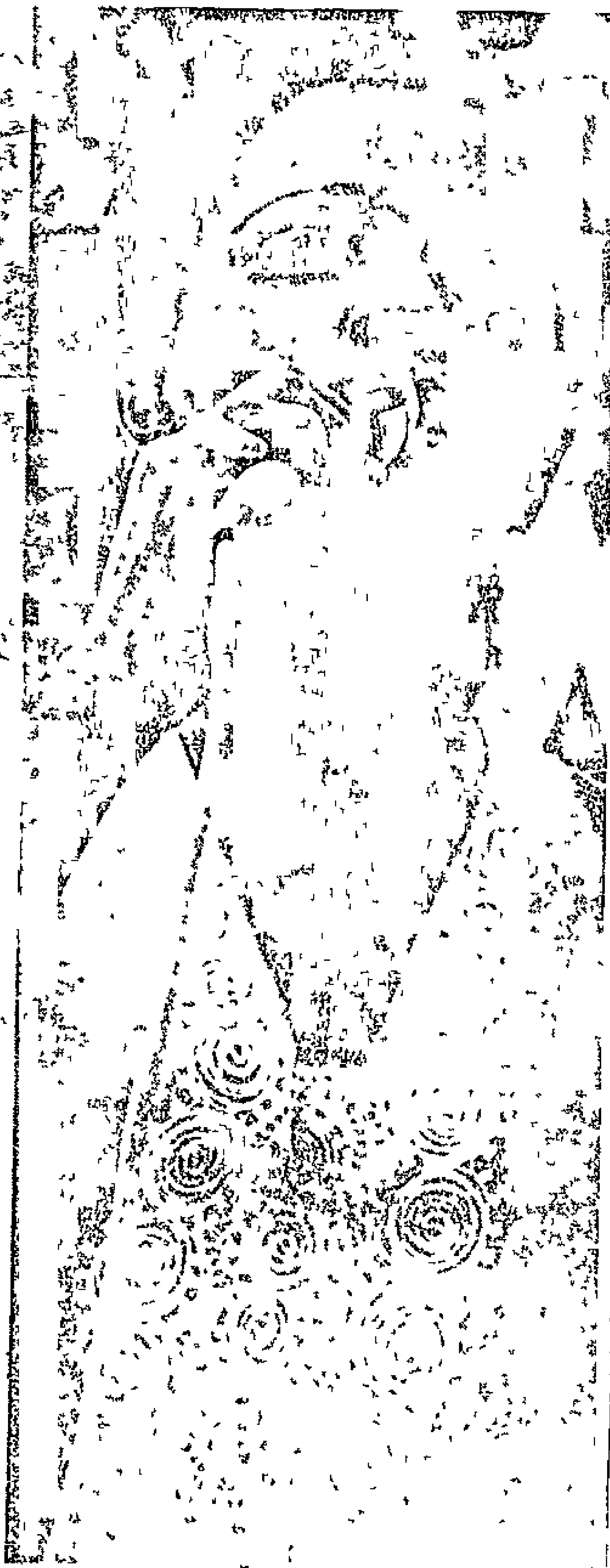
"We will take the issue up with the country's highest courts and sue whoever was responsible for this disruption

Emergency

"There is no law even under the state of emergency that prevents people from holding a bona fide cultural and family occasion BCCG will definitely not leave this outrage to go unchallenged"

Artists and groups scheduled to top the festival included Sakhile Brenda Fassie, Mara Louw and Kamazu

• Security forces yesterday manned roadblocks at Soweto's main entrance points



MARA

REPORTS, pictures and comment in this edition may be censored in terms of the Government's state of emergency

Half of chain's outlets on strike

JOHANNESBURG — The Ellerines strike has spread further with management now putting the number of strike-hit outlets at almost half the furniture chain's stores.

The human resources manager of Ellerines, Mr Pierre de Villiers, said yesterday 147 stores out of 291 were affected.

A total of 110 stores were affected in the Transvaal, 15 in the Free State and 22 in the Cape.

Almost 2 500 of the 6 567 workers represented by the Commercial, Catering and Allied Workers Union (Ccawusa) were on strike.

The last available union figures were at least 5 000 workers at 180 stores.

It was not known yesterday when talks to settle the wage dispute would begin — DDC.

188

41 MORE SHOPS JOIN STOPPAGE

THE legal wage strike by Ellerines Holdings employees in many parts of the country entered its fourth day today with 41 more stores in the Vaal taking action.

The Orange-Vaal branch of the Commercial Catering and Allied Workers Union (Ccawusa) said four organisations representing "thousands of Vaal residents in six townships have pledged to give support to the workers fighting for a living wage"

Earlier this week Ccawusa strike co-ordinator Mr Jackie Masuku told a Press conference that residents throughout the country supported the strike

He said about 5000 workers at 177 stores in the Transvaal, Free State and Cape were on strike in support of a R550 a month minimum demand and R200 across-the-board

Offer

The company has offered a minimum increase of R94 to all employees and between R425 and R689 a month minimum to non-sales staff

The store group has, however, denied 177 stores were affected and said the stores involved were 127

With the Natal region still to decide whether to take action Ccawusa said 41 stores were involved in the Free State and Cape, 132 in the Transvaal and four in the Western Cape

The stores affected and which are controlled by Ellerines Holdings are, Ellerines, Town Talk, Oxford Furnishers, Rhiengold, Royal, Volks and Jacko which have a predominantly black clientele

Sowetan 9/12/87.

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Strike hits 89 Ellerines stores

By LEN MASEKO

SEVERAL thousand Commercial Catering and Allied Workers' Union of South Africa members yesterday started a legal strike at 89 Ellerines furniture group stores in various parts of the country.

The wage strike follows the failure of the State-appointed Conciliation Board to resolve a dispute between the company and its more than 6 000 employees

Stores affected by the strike were in the Transvaal (84), Free State (one) and the Cape (four), an Ellerines spokesman said

The Ellerines spokesman said 1 574 employees were involved in the strike at the group's 89 stores

"Ccawusa's Natal branch has indicated that they do not wish to participate in the strike, and negotiations are continuing between the company and this group," he said

Ccawusa official Mr Jackie Masuku said Ellerines employees in Natal, Free State, Vaal Triangle and the Eastern Cape would join the industrial action today

"The Natal branch (Ccawusa) have confirmed that they are still part of the national negotiations — contrary to claims by management with a view to considering their offer," Mr Masuku said

Ccawusa members demand a minimum wage of R550 a month and R200 across-the-board increase Ellerines has offered an increase of R94 to all employees, a R340 minimum wage for "external" sales employees and R464 for "internal" sales employees

10/12/87

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Ellerines 'exploiting union split'

As the wage strike by thousands of Ellerines workers spreads to more stores, the Commercial Catering and Allied Workers' Union (Ccawusa) accused management of attempting to exploit the split in the union to break the strike.

At a press conference yesterday, Ccawusa spokesman Mr Jackie Masuku said Ellerines had made separate offers to workers in the Natal and Vaal regions even though all negotiations between the union and the company had been at national level.

This was denied by Ellerines' human resources manager, Mr Pierre de Villiers, who said the company had been approached by the Natal and Vaal workers. This made negotiation with Johannesburg-based officials difficult.

Ccawusa's Natal regional spokesman, Mr Steven Zungu, denied that Natal workers had sought a regional settlement and said they might still join the strike.

Ellerines' management put the number of strike-bound stores at 127 while Ccawusa said it was 176.

Store strike grows

10/12/87 Sowetan

188

THE number of Ellerines furniture stores out on strike throughout the country rose to 177 yesterday, the Commercial Catering and Allied Workers Union has said.

Ccawusa's strike co-ordinator Mr Jackie Masuku yesterday told a Press conference that members at the 41 stores in the Free State and the Northern Cape were on strike and the total stores involved in the Transvaal had risen to 132 by yesterday morning.

Accusing management of involving police in a legal strike, Mr Masuku said 35 Ccawusa members were arrested in acts of intimidation and violence in some parts of the country.

Target

"Management told us the issue of lowering sales targets — apart from our minimum demand of R550 a month was not negotiable," Mr Masuku said.

Ellerines has offered an increase of R94 to all employees, a R340 for "external" sales staff and R464 for "internal" sales employees. Ccawusa is demanding R200 across-the-board.

- Ellerines executive spokesman Mr Pierre de Villiers denied management was involving police to weaken or crush the legal strike.

SUNDAY TIMES, Business Times, December 13, 1987 3/

SABS hits at low-quality furniture

188

By Don Robertson

THE Bureau of Standards (SABS) has criticised the poor quality of furniture being made in SA and has urged consumers to demand an improvement.

The SABS believes that if proper quality-management systems are introduced at the manufacturing stage, prices could come down by between 10% and 25%

Only two office-furniture manufacturers — Furnsteel and Heystekrand Furniture Factory, a subsidiary of Furniture Management & Marketing Corporation — have the SABS mark and approved code 0157 systems

R2bn market

Manufacturers' lack of interest in good quality is evident. Of the 1 350 manufacturers' producing furniture worth R900-million ex-factory, only 70 have indicated an interest in an SABS mark Retail sales are worth more than R2-billion.

The Federation of Furniture Manufacturers of SA is aware of the problem and is taking action, says executive director Winston Smith.

The federation is co-operating with the SABS in the preparation of a specification for furniture

It also intends to establish its own furniture mark It may be linked to the SABS mark and the federation will encourage its 800 members to abide by it.

The SABS inspects most of the furniture bought by the State and other bulk-buying retailers.

Because of the SABS check on State tenders, many more manufacturers have improved their quality systems, says a spokesman Furnituremakers who have an SABS mark enjoy a 2,5% tender preference

However, manufacturers of household furniture have not shown much enthusiasm for quality systems

"Some manufacturers tend to hide defects with classy fabrics. Many do not fit the correct density of cushioning material. Many do not seal the timber or chipboard with the result it can warp Many also use nails instead of screws in making frames," he says

"Because of poor furniture quality, people are suing manufacturers."

Basic form

He says that by introducing quality control, even in its most basic form, large savings can be achieved In one instance, the scrap rate falls from 20% to 0,3%.

"These savings could be passed to the consumer"

Another problem is the lack of trained quality-control personnel in the industry To improve the position, the Council for Scientific and Industrial Research offers training courses in quality control The SABS offers advice and information on code 0157.

The SABS has asked consumers to insist that furniture they buy is manufactured under some form of quality control.

Management intervenes after three striking workers held

Daily Dispatch Reporter

EAST LONDON — Three striking Ellerines workers belonging to the striking Commercial, Catering and Allied Workers Union (Ccawusa) were questioned by police here yesterday.

They were then released after the company's management intervened on their behalf.

A Ccawusa spokesman, Mr Joe Putye, said the three were from different shops in East London.

Police in Pretoria yesterday denied victimising strikers or interfering in the Ellerines strike.

The general manager of Ellerines Holdings, Mr P de Villiers, confirmed that the company had intervened when three employees were taken in for questioning by the police here.

Mr Putye also claimed that their union offices in Terminus Street were raided by the police on Saturday.

Mr De Villiers said that of the company's 291 shops throughout the country, 149 were affected by the strike.

There were 110 shops affected in Transvaal, 15 in the Orange Free State, 24 in the Cape Province and none in Natal.

There were 2 470 striking workers and these were from all job categories, Mr De Villiers said.

The striking workers are demanding a R200 monthly increase, 10 per cent commission, a target of R2 500 a month, a minimum salary of R550 and a two-days off in a month.

The workers said they would continue with the strike until their demands were met.

The management had replied that it was open to negotiation and was awaiting the workers' response.

The workers had said that they had exhausted all possible means of communication and had thus embarked on a legal strike.

The management had suggested mediation after conciliation talks broke down, but this was turned down by the workers.

In Pretoria, police responded to allegations that they were working closely with Ellerines management to disrupt the strike, and claims that some 20 workers had been arrested.

In a statement the police added: "Should any person wish to lay a criminal charge with the police or lodge a complaint against any member of the force, such person should do so through the existing recognised channels.

"Such charges/complaints will be thoroughly investigated."

The police statement denied that they "victimise" people because they belong to a specific organisation.

"We also reject claims of police "interference" in the dispute or that police are "working closely with management."

"The settlement of the dispute is a matter between management and employees.

"Action is only taken if there are reasonable grounds for believing that such person(s) has/have contravened the law. — DDR-Sapa

Ellerines get order against strikers

EAST LONDON — Ellerines Holdings has been granted an interim Supreme Court order against its striking employees in East London and King William's Town.

SPA 23/12/87

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The general manager of the company, Mr P de Villiers, said today the order prevented the strikers from entering shops owned by the company and restrained them from interfering with customers in the four East London and King William's Town outlets.

Last week, the East London management warned striking workers in a letter not to interfere with customers.

The strikers denied they had obstructed people going into stores.

Mr De Villiers said the application was brought before the Grahamstown Supreme Court and the order was served on the Commercial, Catering and Allied Workers' Union and 140 employees — Sapa

188 Sowetan 23/12/87

T-shirt 'ban' issue in Ccawusa strike

SOWETAN Reporter

A CONFRONTATION is looming today between striking Ellerines workers in Pietersburg and management over the wearing of T-shirts in the stores.

While management has allegedly banned the wearing of Commercial Workers Union of South Africa (Ccawusa) T-shirts in the stores, over 130 strikers decided at a highly charged meeting in Pietersburg yesterday that they would all put them on today — come what may.

The workers are part of the thousands of Ccawusa members employed at Ellerines Holdings who went on strike on December 8 to demand higher wages and better working conditions.

The meeting also condemned various actions allegedly taken by management, including:

- The lock out of strikers who arrive five minutes late,
- The withdrawal of attendance registers,
- The use of casual workers to deliver goods in unmarked trucks, and

Shops affected by the strikes include Fun City, Reingold, TownTalk Oxford, Jako, Royal, Ellerines and Fishers

The general manager (Human Resources) of Ellerines, Mr P F R de Villiers, said yesterday the company did not "like the workers to wear T-shirts, but it is a legal strike and they have a right to wear them" He denied any knowledge of threatened disciplinary action against workers who wore the T-shirts

Store strike wrangle

Sowetan 24/2/87

THE two-week strike of Ellerines Stores has slipped into a wrangle between the company and the union over mediation proposals.

A spokesman for the Commercial, Catering and Allied Workers' Union (Ccawusa) says Ellerines has accepted a proposal that the dispute go to mediation, but on condition that sales targets are not negotiable, that workers unconditionally offer their services and drop their demands, and mediation would be on the company's wage offers only

The Ccawusa spokesman said these conditions were not acceptable

"We question the company's willingness to settle the dispute through mediation," he said

"We find this attitude high-handed and arrogant which will further prolong settlement of the dispute "

Ellerines claims that 2 417 employees are on strike out of a total workforce of 6 567

Ccawusa disputes and claims at least 4 500 employees are on strike

Stores in the Cape, Transvaal and Free State are affected Natal workers have not joined the strike

(188) Sowetan 24/12/87

Strikers are like cattle - manager

STRIKING Ellerines workers employed at the Dendros Store near Pietersburg, are locked in the storeroom daily and guarded with rifles, members of the Commercial and Catering and Allied Workers Union of South Africa have alleged

The workers also alleged that the white manager of the store frequently invited local white farmers into the store "to look at strikers and pass derogatory remarks"

Both the store manager, a Mr Eager, and managing director (Human resources), Mr P F R de Villiers, deny the allegation Mr Eager said the workers were "free to come as they want In fact they are getting fat from over-eating and no work They are like cattle," he said

The workers said the manager locked the strikers in every morning "Two rifles are placed at the door and the door is only opened at lunch and knock-off time It is a very humiliating and intimidating tactic and we condemn this very strongly," the workers said Dendron is situated in the heart of the Northern Transvaal farming area about 60 km west of Pietersburg

Meanwhile, strikers at Ellerines in Pietersburg had their names taken down by the manager yesterday morning for wearing the union's T-shirts, shop stewards disclosed The action followed the resolution by the striking Ccawusa members to wear the T-shirts despite an alleged ban by management

Mr de Villiers denied on Tuesday that T-shirts were banned or that disciplinary action would be taken against strikers who wore T-shirts in the stores The strikers are part of over 5 000 Ccawusa members in the Transvaal who went on strike on December 8 to demand higher salaries and better working conditions

A Ccawusa official confirmed yesterday that both parties had agreed to take the dispute to mediation "What is left is to agree on the mediators and dates," the officials said

The affected stores are Furncity, Jako, Fishers, Rheingold, Volks, Oxford, Town Talk, Royal and Ellerines The workers are demanding (management's offer)

- R200 across the board increase (R94),
- R550 minimum wage for all (R425),
- Sales targets of R2 500 for outdoor sales staff (R3 400)
- Ten percent commission for sales beyond the target (seven percent for R600 up to R1 000, nine percent for R1 001 up to R9 999 and 10 percent for R10 000 upwards,
- Job guarantee and full pay for workers detained under the state of emergency (three months at half salary with no guarantee),
- Four weeks annual leave for workers with more than five years service (three weeks), and
- Two days time off for all per month (one day)

...tion battles ...tricity dept

Christmas have been tremendously delayed The meat which was in the fridge has rotted and each time we phone we are told to be patient," Mr Mavuso added

Problem

The acting town clerk, Mr Rene du Toit, who is also Soweto's chief electrical engineer, said he was not aware of Shap's problem but promised to investigate

Workers at the centre repair calculators, Kodak cameras, manufacture protective clothes for the mines, manufacture underground lighting cables, notebook pouches and tablecloths furniture

MONEY BACK, SAY TEACHERS

188

Sowetan 30/12/87

By MZIKAYISE EDOM

SCORES of teachers on the East Rand have paid substantial desposits to a man who promised to sell them furniture at "special" prices — but he has not delivered the goods.

The teachers, all owners of new houses in the area, have paid deposits of between R500 and R1 000 to Mr David Masondo, owner of the Afro Furniture Club, formerly the Warehouse Club

They told the *Sowetan* that Mr Masondo has been collecting the money from them since July this year after he promised to sell them furniture at "special" prices

Mr Masondo yesterday said it was true that he had "sold" furniture to the teachers

"It is also true that none of the teachers who bought furniture from me has received it I have problems with factories manufacturing furniture in Cape Town but I hope to deliver the first orders by the end of February next year," Mr Masondo said

Teachers interviewed by the *Sowetan* this week said they have been trying to get their money back from Mr Masondo but in vain

Mr Masondo said he was prepared to refund the teachers but they would only get their money after two weeks

"My accountant is on leave and will be back after two weeks I was trying to help the teachers but I have been let down by the furniture companies," Mr Masondo said

Mr Asaf Magogodi from Thokoza said he paid a deposit of R650 to Mr Masondo in August for a lounge suite

"The furniture has not been delivered I have tried getting my money back from Mr Masondo, but each time I meet him, he promises to deliver my goods He is refusing to refund my money," Mr Magogodi said

A woman teacher from Daveyton, Miss S Mphahlele, said she paid a deposit of R500 for a diningroom suite in July but has not received her goods

She said she was no longer interested in the deal and wanted her money back

Luther King remembered

THE United States Information Service will from next Wednesday present a series of videos to mark the third observance of Martin Luther King, Jr's birthday on January 18.

The videos, all dedicated to the assassinated civil rights campaigner, will be shown at the USIS Auditorium on the third floor of the African Life Centre in Johannesburg on Wednesdays and Fridays until January 29

All the programmes can be seen free of charge and are open to members of the public

The videos are titled *Great Americans - Martin Luther King, Jr, Legacy of a Dream - The Assassin Years, Andrew Young Discusses Martin Luther King, Jr* and *The March on Washington*

For further information contact Mr Harvey Leifert at (011) 29-3451

MARTIN Luther King . assassinated black civil rights leader

Ellerines get order against strikers

EAST LONDON — Ellerines Holdings has been granted an interim Supreme Court order against its striking employees in East London and King William's Town.

SOWN 23/12/87

188

The general manager of the company, Mr P de Villiers, said today the order prevented the strikers from entering shops owned by the company and restrained them from interfering with customers in the four East London and King William's Town outlets.

Last week, the East London management warned striking workers in a letter not to interfere with customers.

The strikers denied they had obstructed people going into stores.

Mr De Villiers said the application was brought before the Grahamstown Supreme Court and the order was served on the Commercial, Catering and Allied Workers' Union and 140 employees. — Sapa.

ELLERINES — NO END TO WORK STOPPAGE

Sowetan 30/12/87

(188)

By THEMBA MOLEFE

THE wage strike at Ellerines Holdings stores nationwide entered its fourth week yesterday with the workers' union saying mediation talks broke down this week as attacks on members escalated.

Strike co-ordinator for the Commercial Catering and Allied Workers' Union (Ccawusa), Mr Jackie Masuku, said mediation talks held on Monday broke down after Ellerines refused to negotiate the lowering of sales targets — a burning issue in the dispute

Mr Masuku said the union and management meet again on Monday in another attempt to settle the strike

"To put it simply, little progress was made at the negotiations and the parties have covered only 10 cm of a 10 km hurdle", he said

Mr Masuku said the strike at 202 stores, excluding Natal, involved more than 5 000 workers

These figures have been disputed by Ellerines' general manager, human resources, Mr Pierre de Villiers

He said 2 417 workers at 144 stores countrywide were affected

Mr Masuku said there was a large-scale victimisation of members by managers at various stores

Mr De Villiers said he had personally investigated the allegations which proved to be untrue

He also deneid that mediation talks broke down on Monday and said talks would resume at Ellerines head office, Germiston, on January 4 at Ccawusa's request

Mr Masuku said the union holds a general meeting on Sunday in Burgersfort to seek a mandate and discuss "management's attitude"

189 B/day 13/10/87

Opportunity to fuel-inject local market

STEPHEN ROGERS

ASSOCIATED DIESEL (Adco) was set up in 1955 by executive chairman and MD Ronald Norwitz who saw an opportunity to supply fuel injection products to the local market

"Diesel engines were being fitted in tractors and trucks and the demand for fuel injection components, which are complimentary to the diesel engine system, was growing," he said

Norwitz acquired agencies to distribute the imported components Rapid growth in local industry resulted in him acquiring more agencies in 1958 and 1964

Today the group has four divisions

The diesel fuel injection division was formed in 1955 It distributes a comprehensive range of diesel fuel injection components parts throughout SA

The auto electrical division supplies electrical components to the motor industry and provides components for a wide range of vehicles

The turbocharger division represents, on a franchise basis, the turbocharger manufacturers of Kuhnle Kopp & Kausch and Rotomaster

The Telma division distributes the Telma electromagnetic brake retarder

Turnover growth over the past four financial years has been impressive with Adco recording an average compound rate of 25% a year Only percentages are available, so the nominal growth over this period is unknown.

Most groups achieve high growth rates through a combination of acquisition and internal expansion But Adco's growth has been completely internal, which makes it more impressive

Although the group imports more than 60% of its products (in value terms), the fall in the rand did not adversely affect sales.

Turnover increased 17% in the 1985 financial year and 35% the next year The growth was a combination of price and volume expansion

All imports are covered forward and Adco is the sole distributor of several components, which gives it a captive market in these areas

"Most importers of motor component parts were able to maintain their profit margins in spite of the increased prices," says Norwitz

Profits at the operating level have grown faster, pointing to a substantial improvement in trading margins

In three of the last four financial years operating profits have increased at a greater rate than turnover

In 1986, when growth at turnover-level was greater, both operating profits and turnover grew in real terms.

Management attributes increased profitability to improved productivity and the benefits of a cost-reduction programme

The group funded its expansion by borrowings Here it was nearly caught in 1985, when the prime lending rate soared to a record 25%.

The borrowing was to build a head office and central warehouse. Interest cover was low 1,24 in 1983 and 1,36 in 1984

The rise in interest rates in the next year doubled Adco's interest bill from R597 000 to R1,1m This reduced interest cover to 1,1 times and pre-tax profits to R113 000, from R213 000, despite a 47% increase in operating profits.

With the tax rate unchanged at about 50%, bottom-line profits in 1985 declined from R107 000 to R57 000.

However, with operating profits continuing to improve, interest cover recovered to 1,4 times the next year and 2,8 times in the last financial year.

The R3,5m to be raised from the listing will settle the group's debt. Adco has a factoring facility of R5m, of which R3,4m has been used.

Highveld employees concede

S/day 16/10/87 189

ALAN FINE

THE 4 000 workers dismissed by Highveld Steel in Witbank during and after a three-week lock-out by management have decided to return to work, on management's terms, to meet the October 21 offer of preferential re-employment.

National Union of Metalworkers of SA (Numsa) spokesman Bernie Fanaroff, who launched a bitter attack on management tactics, said the choice had been between living to fight another day and being "scattered to the winds".

He said threatened evictions of hostel dwellers, with management complicity, would split up and divide membership and make it impossible to maintain union organisation. Highveld has denied any role in the evictions.

Fanaroff questioned the value of using legal channels in resolving disputes if the final outcome was dismissal of strikers. He said Numsa would, in future, have to consider bypassing them and striking

● To Page 2 ⇨

Subsequent investigations led to the arrest of two others They will appear in court soon.

120 stop work in pay row with electrical firm

Labour Reporter 4R645 3/11/87 (189)

SPRINGBOK Electric employees stopped work today in support of demands for higher wages.

They are members of the Electrical and Allied Workers' Trades Union which opened wage negotiations with the company after a short stoppage last month.

A union spokesman said about 120 workers were involved at the company's store and its factory in the city centre.

Shop stewards said most workers were paid about R1,50 an hour, with other wages ranging up to R700 a month.

They claimed the company was delaying wage talks by introducing other elements into the discussions.

Management spokesmen were said to be "not available for comment on anything".

106 electrical workers on strike

Labour Reporter

THE strike by employees in three divisions of a city centre electrical company continued today.

Mr Eli Raskin, a director of Springbok Electric, said about 106 workers were on strike demanding higher wages.

He said: "They have asked for indications from management that we will give them increases, but our commitment to this is minuted in our talks with their union.

"We first want some form of interim procedural agreement and have given a commitment to start wage negotiations by November 9 if an agreement is signed."

- A national strike of Ellerines furniture store workers over wage demands could start within days if attempts at mediation fail.

The Commercial, Catering and Allied Workers' Union is holding strike ballots at the firm's 252 outlets but members have agreed to mediation attempts.

The union wants a minimum wage of R550 a month and a R200 across-the-board increase.

Management has offered a R340 minimum retainer for external sales employees, R464 for internal sales employees and a minimum R94 across-the-board.

Workers march through city

Cape Times 5/11/87

Staff Reporter

MORE THAN 100 workers yesterday marched through the city centre singing freedom songs as they returned to work at Springbok Electrical after ending a two-day wildcat strike.

The workers, who had been on strike since Tuesday, walked from Atlantic House, in Corporation Street, to their place of employment in District Six.

They had decided to strike because they had been paid "despicable wages", a worker said yesterday.

A spokesman for the Electrical and Allied Workers' Union, Mr Brian Williams, said the workers had decided to return to work after management had "given a commitment that they will negotiate in good faith on wage increases and conditions of employment".

Mr Eli Raskin, a director of the company, said management had refused to negotiate till the workers returned.

Metal Box lifts earnings, div

CAPE TIMES 5/11/8?

189

Financial Staff

METAL BOX lifted earnings by 30% in the year to September to 72,4c (55,6c) a share The dividend is 33% higher at 32c, covered 2,3 times, compared with 24c the previous year

Operating profit soared by an impressive 57% to R92,3m (R58,8m) on a turnover of R989,6m (R830,6m)

The directors say that 9% of this improvement was due to real growth, not merely inflation, with the company achieving a bigger market share and higher unit sales

"This, combined with the rationalization and productivity programmes of recent years, boosted operating margins from 7,1% to 9,3%"

The directors say a strong cash flow, totalling R45m, helped to reduce borrowings

Finance costs were sharply down to R5,5m (R10,5m) and the debt-equity ratio dropped to 11% (20%)

Pre-tax profit including income from investments of R4,2m (R6,2m) was 67% higher at R91,1m (R54,5m)

But the elimination of investment allowances meant the tax bill was higher at R41,8m (R16,5m) reducing after-tax profit to R49,3m (R37,9m)

GLOBE ENGINEERING (187)

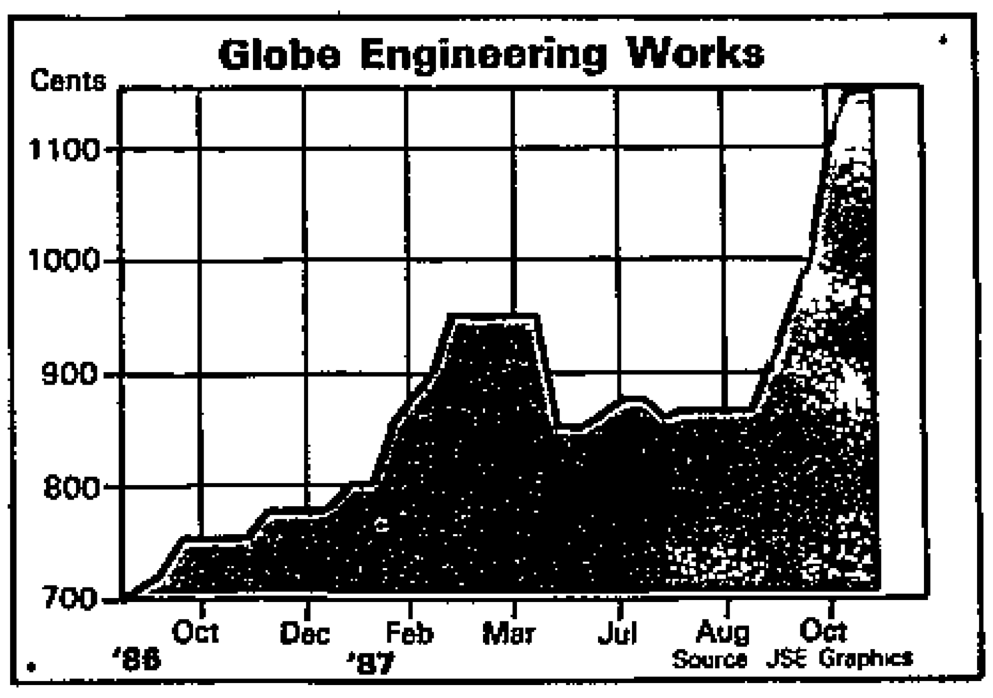
Steady course

Activities: *Marine, electrical and general engineering*
Control: *South Atlantic holds 84% of the equity The ultimate holding company is Anglovaal Holdings*
Chairman: *D Royston, managing director R B Hughes*
Capital structure: *3,5m ords of 50c Market capitalisation R36,8m*
Share market: *Price 1 050c Yields 5,7% on dividend, 10,7% on earnings, PE ratio, 9,4, cover, 1,9 12-month high, 1 150c, low, 800c. Trading volume last quarter, 27 000 shares*
Financial: *Year to June 30*

	'84	'85	'86	'87
Debt				
Short-term (Rm)	—	—	—	—
Long-term (Rm)	—	—	—	—
Shareholders interest	0,88	0,88	0 87	0,88
Int & leasing cover	3,9	10,3	11,9	9 1

Performance.	'84	'85	'86	'87
Return on cap (%)	1,4	5,4	6,1	4,4
Turnover (Rm)	61	71	88	96
Pre-tax profit (Rm)	0 5	2 1	2,5	2,1
Taxed profit (Rm)	0,5	1 9	2,1	1,9
Earnings (c)	59	100,3	93,1	112 0
Dividends (c)	50	55	55	60
Net worth (c)	662	965	1 006	1 167

This company has been a dull performer in recent years, with eps zig-zagging around 100c a share At 112c, 1987 earnings are only 6% ahead of the 106c earned in 1982



The 28% rise in share price in the past month is no doubt linked to the 30% stake in Avgrin Holdings, which owns 53% of Grinaker Holdings, a share the market favours for its high-growth electronics interests

Globe relied heavily on investments last year Including earnings of associated companies of R3,98m, 65% or R2,6m of taxed profit came from investments and only R1,4m from its own engineering operations In the previous year, profit of R3,3m was split equally between investments and engineering Engineering profits thus fell 16%

The static state of the marine industry worldwide, resulting in less work for Globe's ship repair division, is the main culprit for reducing profits The industrial division, which undertakes general engineering projects, returned to profitability after recording losses for a number of years

MD Bob Hughes says the shipping industry has undergone structural changes in recent years which forced some companies out of business, and reduced the amount of work for ship repairers

Containerisation, bulk carriers and increasing use of air transport reduced the amount of shipping traffic, technological advances in ship design cut the need for repairs However, an unpredictable factor which could aid profits this year is the incidence of shipping accidents off the SA coast

The company looks to its industrial division to provide growth this year Performance depends on an upturn in the economy. Though Globe plans to tender as sub-contractor on the Mossel Bay project, it is not yet providing a steady flow of work.

While the industrial division's return to profitability and strong earnings growth from Grinaker Holdings will help profits this year, the market isn't expecting too much increase in earnings, as indicated in the 5,2% yield

Andrew McNulty

ANGLOVAAL INDUSTRIES 189

Making a break

This was the year Anglovaal Industries (AVI) finally burst out of the relatively flat earnings pattern endured since the early Eighties, taking the share price along in its slipstream The 71% rise in EPS came despite a 35% rise in the number of shares in issue, the result of a R103,8m rights offer to redeem preference shares

The major contribution to the R49,6m rise in earnings was from diversified businesses, up by R23,5m to R31,2m Improvements here came from Globe Engineering, where profits grew 20%, Steelmetals, which pushed up earnings 70%, and textiles, which had particularly good turnarounds, according to finance director Bill Keen He notes that many of the textile companies are wholly owned and have tax losses, so benefits flow directly to AVI's bottom line

Second largest improvement was in the dry food and beverage division, up R11,9m to R23,6m, followed by frozen food (up R8,6m), packaging (up R3,5m), and construction and electronics (up R2m)

Group turnover rose only 18%, negligible in real terms But pre-interest profit rose 43%, and a 22% fall in interest paid, as debt was cut from R247m to R154m, boosted pre-tax profit The redemption of pref shares also contributed to the decline in the debt equity ratio net of cash to 0,02 from 0,39

Keen says the group concentrated on reducing gearing through tight working capital management and increased profits The effort was made with a possible rise in interest rates in mind, while the group also wants to remain in a position to take advantage of acquisition opportunities With gearing down and cash up to R144m from R59m, this has been achieved

The R46,8m left from the rights offer after redeeming the pref shares was used to assist group companies and finance acquisitions, including a 17,7% holding in Cadbury-Schweppes and 25,2% in Control Instruments, though the cash must still be handed over for the latter deal

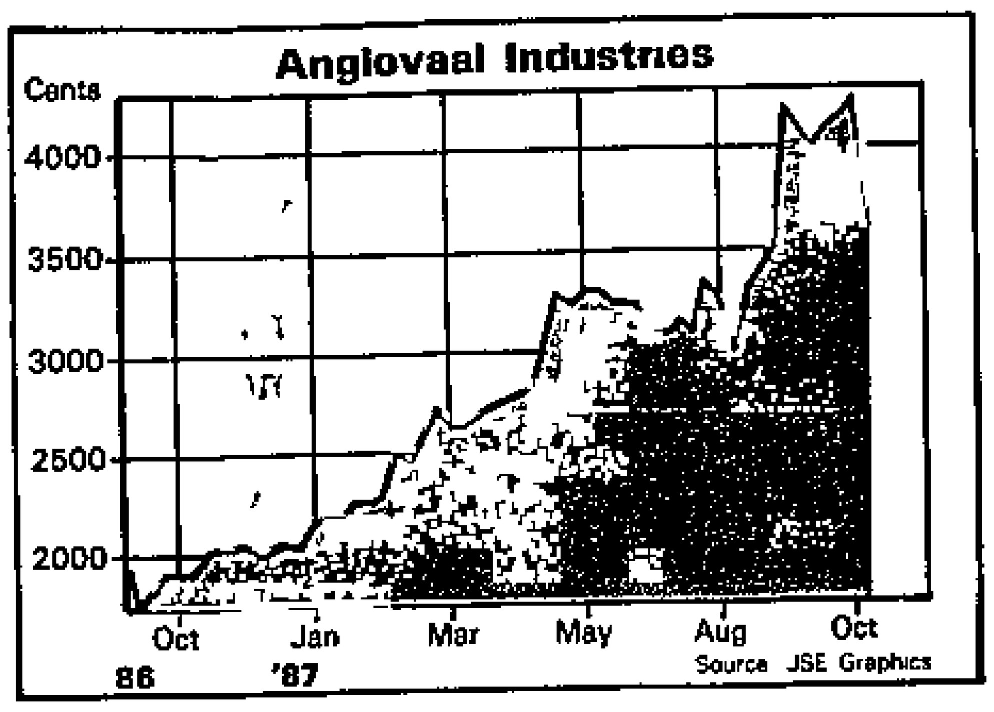
Of other existing businesses, Grinaker, Avbak, I & J and Consol grew strongly But Claude Neon showed little improvement, profits of T W Beckett and Concentra declined, and Cerebos remained a loss-maker after tax, though it broke even pre-tax

Keen says Claude Neon hopes to benefit from corporate name changes in 1988, while it is planning for growth, it is still early days T W Beckett has suffered from volatile coffee prices, but hopes stability will return to the market this year, helping profits Concentra was hit by a stronger rand, and any weakness in the currency will aid export earnings Finally, Cerebos plans to tighten up its product range and reduce gearing

Growth in 1988 will come from textiles, as long as the rand doesn't strengthen too much and encourage imports from the Far East, as well as from food, construction, electronics and packaging

The share price, with its 2,2% dividend yield, is obviously already discounting expectations of future earnings growth

Andrew McNulty



Activities. *An industrial investment and management company with subsidiaries in the food, packaging, construction, electronics, textile and engineering sectors*

Control: *Anglovaal Ltd holds 66% of the equity The ultimate holding company is Anglovaal Holdings*

Chairman: *B E Hersov, managing director J C Robbertze*

Capital structure *24,9m ords of 50c, 1m 5,5% cum prefs of R2, 1,4m 8% red cum prefs of R1 Market capitalisation R846,6m*

Share market: *Price 3 400c Yields 2,2% on dividend, 12,2% on earnings, PE ratio, 8,2, cover, 5,5 12-month high, 4 300c, low, 1 900c Trading volume last quarter, 282 000 shares*

Financial *Year to June 30*

	'84	'85	'86	'87
Debt				
Short-term (Rm)	92,4	131,8	158,9	80,4
Long-term (Rm)	30,6	80,6	88,4	73,9
Debt equity ratio	0,30	0,44	0,39*	0,02*
Shareholders' interest	0,49	0,45	0,42	0,50
Int & leasing cover	5,7	4,0	4,08	6,20
Debt cover	1,0	0,64	0,63	1,38

Performance

	'84	'85	'86	'87
Return on cap (%)	15,4	14,3	14,4	18,2
Turnover (Rm)	1 685	2 013	2 400	2 832
Pre-int profit (Rm)	158,7	173,0	191,6	273,6
Pre-int margin (%)	9,4	8,6	6,8	11,4
Taxed profit (Rm)	78,4	77,2	82,5	140,2
Earnings (c)	223	210	242	415
Dividends (c)	46	46	50	75
Net worth (c)	1 364	1 378	1 665	1 975

* Net of cash

STAINLESS STEEL (189)

Beneficiation boost

Middelburg Steel & Alloy (MS & A), SA's only primary producer of stainless steel, is setting the pace in the beneficiation of local minerals Its efforts could put SA on the map as a major source of stainless steel products

The company is now actively encouraging local fabricators to approach it with innovative business plans for the export of manufactured stainless steel products. To this end it is once again offering R1m as an incentive for its "stainless steel think tank"

Says MS & A MD John Gommersall "We want to provide a 'vision' geared to exports, to replace the insular approach which local businessman have towards beneficiation and the export of raw minerals"

Over the next couple of years MS & A will spend around R160m on an expansion programme, largely to extend its ferrochrome capacity but also on production of billets Up to now MS & A's production has been confined to flat products and slab semis

Gommersall says roughly half of MS & A's annual production of 100 000 t is exported "But we can only export to what might be called sanctions-free markets"

"On top of that stringent quota systems and pricing regulations — particularly in the EEC — apply to raw stainless steel The export of fabricated products would obviate these restrictions That is why we are so actively promoting local manufacture of stainless steel products

"Obviously it is also in our own interests as it should help us to market our increased output," adds Gommersall

Annual stainless steel sales in the local market account for only 32 000 t out of total production of 100 000 t stainless steel and ferro-alloys like the hugely successful 3CR12 (some 20 000 t/year, virtually all of it sold locally)

Part of MS & A's expansion will involve a complete rebuild of the world's first plasma ferrochrome furnace which MS & A and Mintek pioneered in the early Eighties "We aim to increase its output 2,5 times by increasing capacity from 16 MVA to 40 MVA"

The additional capacity will be accompanied by an increased marketing drive

"Through the SA Stainless Steel Development Association (Sassda) we aim to create a generic awareness of South African stainless steel D'Arcy Masius Benton & Bowles have come up with a series of superb print advertisements and we will take our campaign to TV as well," says Gommersall

The supplement published in last week's *FM* (October 30) is just one example of the effort which MS & A, through Sassda, is putting into promoting South African stainless steel The supplement was largely based on papers delivered at a conference on stainless steel held at the Wild Coast Sun

At long last, it appears, local industrialists are grabbing the beneficiation bull by the horns And if the consequences are increased economic growth and job creation, they could just be doing everyone a favour ■

port

Sale of interest in clinics

Afrox boosts profits 27%

CM Trusts 9/11/87

Own Correspondent

JOHANNESBURG — With improved penetration in spite of no major upturn in its markets, African Oxygen (Afrox) achieved a 27% improvement in net profits in the year to September

The preliminary profit statement discloses the after-tax profit (before extraordinary items) at R46,9m, compared with R37m in the previous year

Earnings per share before extraordinary items were 113,63c (91,46c)

The group has declared a final dividend of 37c a share (31c), bringing the total for the year to 61c (50c)

The company made an extraordinary profit of R15m from the sale of its 32% interest in two Pretoria clinics, thus swelling the attributable profit by 84% above last year's figure to total R49,2m

Turnover during the year increased 15% to R448,4m and the pre-tax profit was up 42% to R89,4m

MD Peter Joubert said the improved performance for the year was a result of improved market penetration and efficiencies in the company's gas and welding businesses, in spite of no major upturn in the markets served by the company and its customers

He added that the hospital division had turned in lower results primarily as a result of the "iniquitous position of private hospitals having their tariffs arbitrarily set by the Representative Association of Medical Schemes"

"This has resulted in private hospitals seeing tariffs increasing in recent years at a far slower rate than costs and, in spite of the most strenuous cost containment measures, profitability of Afrox's hospitals has declined," he said

Overall, however, Joubert was confident that the group would produce similar results in 1988 as it had this year. — Sapa

SA Times 10/11/87

Plessey workers down tools

[redacted] 189 [redacted] Labour Reporter

ABOUT 800 workers downed tools at the electronics manufacturing company Plessey S A Ltd in Retreat yesterday following the dismissal of an engineer who had returned to South Africa after attending a Trades Union Council course in Britain 1

An Electrical and Allied Workers Trade Union (EAWTU) spokesman said about 120 workers from Renak, a subsidiary of Plessey, began a work stoppage in solidarity with Mr Kevin Honey, who had been employed by the company for 14 years

Mr Brian Williams, of EAWTU, said that talks with management would take place today

(188) Sowetan 10/11/87

Stoppages at Ellerines

By LEN MASEKO

SCORES of Commercial Catering and Allied Workers' Union of South Africa members staged work stoppages at several Ellerines group stores throughout the country yesterday, a Ccawusa spokesman said.

Ccawusa official Mr Jackie Masuku said stores in Cape Town, Nelspruit and the Eastern Cape were among those affected

Mr Masuku said union members at these stores were "demonstrating to management the urgency of committing itself to Conciliation Board proceedings"

The wage dispute between Ellerines and the union has been referred to the Conciliation Board But Ccawusa has accused management of being reluctant "to meet the union at Conciliation Board"

Willing

Ellerines group personnel manager, Mr Pierre de Villiers, said management was willing to resolve the wage dispute through Conciliation Board proceedings He said the problem was that the Minister of Manpower had not furnished the two parties with dates for board sittings

Meanwhile Ccawusa has accused management of attempting to "draw out the teeth of the union" by sacking active union members The company had started dismissing workers who did not meet sales targets, according to the union.

"They (management) have gone about in calculated ways by selecting active union members who have been threatened with instigating the dispute," Mr Masuku said

He said his union demanded the reinstatement of all those dismissed as this action "has severely prejudiced negotiations"

Mr de Villiers said the dismissals were part of "corrective, disciplinary action" which has been in practice within the company for the past 37 years He said there had been "no escalation of these disciplinary measures".

Ccawusa members at Ellerines group stores demand a R200 across-the-board increase and a minimum wage of R550 a month and the lowering of sales targets

'Stores are warned'

A NUMBER of Ellerines group stores were hit by work stoppages yesterday, a day before the sitting of the Conciliation Board convened to settle the dispute between the company and its employees

The Conciliation Board, appointed by the Minister of Manpower, meets for further negotiations today

The Commercial Catering and Allied Workers Union of South Africa (Vivian Mtwa group), which represents Ellerines employees, said yesterday's stoppages were "a warning to management to stop dragging its feet and resolve the dispute"

Ccawusa official, Mr Jackie Masuku, said management had refused shop stewards and the union access to telephone facilities at the shop floor

He said management had also replaced union members, who operate cash tills, with white cashiers

Ellerines spokesman Mr Pierre de Villiers confirmed that a number of group stores had been affected by stoppages, saying "we view this as an act of bad faith especially in view of the pending Conciliation Board meeting"

Ccawusa is demanding a minimum wage of R550 a month and a R200 across-the-board increase Management has offered an increase of R94 to all employees, and a R340 minimum wage for "external" sales employees and R464 for "internal" sales employees

11/11/87 (BP) (SR) (188) (1007) Sowetan

Labour update

More stoppages at Ellerines

By LEN MASEKO

SCORES of Commercial Catering and Allied Workers' Union of South Africa members staged work stoppages at several Ellerines group stores throughout the country on Monday, a Ccawusa spokesman said.

Ccawusa official Mr Jackie Masuku said stores in Cape Town, Nelspruit and the Eastern Cape were among those affected

Mr Masuku said union members at these stores were "demonstrating to management the urgency of committing itself to Conciliation Board proceedings."

Willing

The wage dispute between Ellerines and the union has been referred to the Conciliation Board But Ccawusa has accused management of being reluctant "to meet the union at Conciliation Board"

Ellerines group personnel manager, Mr Pierre de Villiers, said management was willing to resolve the wage dispute through Conciliation Board proceedings He said the problem was that the Minister of Manpower had not furnished the two parties with dates for board sittings

Meanwhile Ccawusa has accused management of attempting to "draw out the teeth of the union" by sacking active union members The company had started dismissing workers who did not meet sales targets, according to the union

"They (management) have gone about in calculated ways by selecting active union members who have been threatened with instigating the dispute" Mr Masuku said

He said his union demanded the reinstatement of all those dismissed as this action "has severely prejudiced negotiations"

Mr de Villiers said the dismissals were part of "corrective, disciplinary action" which has been in practice within the company for the past 37 years He said there had been "no escalation of these disciplinary measures"

Earnings and dividend soar

CAPE TIMES 12/11/87 (189)

Convincing turnaround for Reunert

From HELOISE HENNING

JOHANNESBURG — Reunert has achieved a convincing turnaround in profitability in the year to September 30, 1987

Shareholders are reaping a dividend of 40c from earnings of 120c a share, from nil the previous year

Directors attribute this result from increased profits, focussed asset management and the sale of the mechanical engineering subsidiary, Fenner

This is seen in operating profit at R88m, rising to 7,6% of turnover of a R1,1 billion from R24m last year, only 2,6% on last year's turnover of R922m

Improved management and the sale of the subsidiary has reduced borrowings to R59m from R143m, putting debt equity at 25% in comparison to 70% last year It experienced a positive cash flow of R81m in the year

Interest costs have reduced by 35%, from R20m to R13m, and the group paid tax on a 38% rate, resulting in attributable earnings of R37m

Assessed losses will continue to provide a tax shelter for the next 18 months, after which the group is expected to pay normal company tax

The current year's balance sheet will exclude Reunert Computers, (RC) which is being hived off into a grouping with ISM to form Technology Systems International It is expected to be listed early next year with minority shareholders being given a 6,7% stake They will be earning off the split base of the two companies

RC contributed 68c of last year's earnings of 120c a share This leaves 52c in the remainder of Reunert, the base from which the leaner Reunert will be forecasting its future growth

CE Richard Savage, who has steered the group into health over the past two years, says the new Reunert will concentrate on internal growth, as it has in the past year

He says the company will embark on a large scale capital expenditure programme in the current year

The leaner Reunert spans the electronic sector with Circuit Breakers, GEC and Reunert Technologies made up of telecommunications and electronics

Savage says the group becomes more dependent on government expenditure, but has a large market in the mining sector and the fast-growing housing sector

Savage dismissed suggestions that Barlows would delist Reunert after the split with the computer section, because it was a supplier of sensitive government equipment Savage says there was no thought of it

Effort will also be concentrated on Heinemann that has been temporarily housed since its Isando factory was razed earlier this year Heinemann, market leader in circuit breakers, was 40% above its previous years production in September in spite of its temporary plant

He says the past year has seen a return of 28% on opening shareholders funds

Shop strike now over

(188) Sowetan 12/11/87

DOZENS of Commercial Catering and Allied Workers Union of South Africa members have resumed duty at Ellerines group stores after staging a one-day stoppage this week.

A Ccawusa official, Mr Jackie Masuku, said the action was aimed at demonstrating to management the urgency of committing itself to conciliation board proceedings.

He said 24 union members had been dismissed by management for allegedly failing to meet sales targets. He said the dismissals had escalated since the dispute between the union and the company started.

"Ccawusa demands the reinstatement of all those dismissed and calls on the company to desist from such bad faith acts which have severely prejudiced the negotiations," Mr Masuku said

Action

He said there was an attempt by management to single out union members and to take action against them.

Ccawusa members are demanding R200 across-the-board increases and a minimum wage of R550 a month They also demand a lowering of management's sales targets

Management has offered R94 across-the-board to non-sales staff, and R340-a-month minimum wage for "external" sales employees and R464 for "internal" sales employees

Mr Pierre de Villiers, Ellerine group personnel manager, was not available for comment yesterday.

The Minister of Manpower has set up a conciliation board to resolve the dispute The proceedings, however, have not started as yet.

D & H closes R50m deal

CITIZEN 13/11/87

JOHANNESBURG — Spending some of its cash resources, cash-rich Darling & Hodgson (D & H) is rapidly taking shape as the building and contracting company in the Malbak Group.

Yesterday D & H announced that it has bought two businesses from wholly-owned Malbak subsidiaries — the Rocla pipe manufacturing business, and the locks and door furniture and insulation panel businesses of Solid Manufacturing

The consideration placed on the combined transaction is R50,2m which will be settled by way of a cash payment of R37,5m and the issue of R4,25m new D & H shares. The value placed on the shares is R3,00 per share

Rocla manufactures concrete, asbestos cement and high pressure pvc pipes at factories throughout South Africa The solid businesses consist of the solid hardware division, which is a major manufacturer of locks and door furniture, and thermacoust which manufactures laminated insulated boards

Hugh Brown, the chairman of D & H, said that the acquisitions were effective from September 1 and will make a contribution to D & H's future earnings

He said "Had the transactions been effective from September 1 1986 D & H pro forma earnings for the 12 months to August 1987 would have been increased by 44% from 32c a share to 46c The transactions have the effect of reducing the net asset value per D & H share slightly, from 263c to 248c "

The new D & H shares will rank pari passu with the existing shares but will not participate in the final dividend for the eight months ended August 1987

The transactions will have no material effect on the earnings, dividends or net asset value of Malbak.

The transactions are subject to the approval of D & H shareholders — Sapa

W/C ARGUS 14/11/87

LABOUR AFFAIRS
DICK USHER

1988 looks set to be an interesting year for clothing, furniture unions

EVENTS in two industries — clothing and furniture — should be particularly interesting next year.

In the garment industry, all eyes seem to be directed towards the Congress of South African Trade Unions (Cosatu).

Last weekend saw the emergence of a strong new national union in the clothing and textile industries affiliated to Cosatu, the Amalgamated Clothing and Textile Workers' Union (Actwusa).

This weekend the Clothing Workers' Union (Clowu), after being somewhat dormant for a while, is holding its third annual congress.

And the Garment Workers' Union (GWU) and the Natal-based Garment Workers' Industrial Union are hoping that they'll have their plans for amalgamation advanced enough to be able to complete it by the end of the year.

The scene could be set for some inter-union rivalry.

Membership of the GWU and all Cosatu affiliates in the Western Cape is within a few thousand of each other.

In the interests of its own influence Cosatu would have to crack the GWU's dominance of the clothing industry.

The GWU is alive to this possibility and has been looking over its shoulder at the National Union of Textile Workers (NUTW), one of the unions which formed Actwusa. Last week's *Clothesline* had two articles cautioning workers about NUTW, the Cosatu affiliate which showed them the door at talks earlier this year which would have brought them in with the unions now forming Actwusa

But in spite of this the GWU hasn't closed the doors on moving into Cosatu, according to assistant general secretary Cedric Peterson.

Meanwhile Clowu, in the pamphlet advertising its meeting, says: "We expect this to be a watershed conference because ... we will have to discuss the conversion of Clowu into an authentic union with paid-up members as opposed to merely signed-up members as is the case to a large extent at the moment.

"Cosatu lays down paid-up membership as a condition of affiliation."

In the furniture industry things are a little different The existing union, the National Union of Furniture and Allied Workers (Nufaw), recently affiliated to the National Council of Trade Unions (Nactu)

This is South Africa's second largest union grouping and has recently been consolidating in the Western Cape.

But the latest *Work in Progress* reported that two Cosatu affiliates, the National Union of Metalworkers and Paper, Wood and Allied Workers' Union (Pwawu), "have made great strides in ending the closed shop system in the furniture industry"

They have concluded a recognition agreement with Afcol, the biggest furniture company in the country.

"For Pwawu the agreement is a consolidation of its campaign to drive Nufaw out of the industry," said the report.

In the Western Cape, Pwawu has held at least one meeting for furniture workers and the drive against Nufaw appears to be on.

Natbolt tipped to see 50% earnings growth

189 ~~209~~ Cape Times 16/11/87

Financial Staff

NATIONAL Bolts (Natbolt) is expected to achieve earnings growth of at least 50% in the current financial year to June, MD Jossie Marcus says in the annual report

This implies earnings of at least 300c a share and Marcus says this would enable a dividend of at least 85c a share to be paid

In the past financial year, Natbolt — part of the FS group of industrial and distribution companies — boosted attributable profit by 122% to R10,7m

Chairman Jeff Liebesman says in the annual report "The key objective of Natbolt reflects that of the whole FS group — to increase the wealth of shareholders, staff, customers and suppliers

"We do this by bringing together strategic players in basic industries round the globe so as to create strong leaders in all the markets in which the group participates, and develop them in partnership with entrepreneurial management, which has a significant stake in the business"

During the past year, Natbolt formed a 75%-owned subsidiary, FS-Team Distributors, in which its distribution facilities were grouped

These were expanded from handling industrial fasteners to include an attributable 35% stake in electrical, electronic and cable distributor Elcentre, a tools division and a consumer division

Marcus says "Gradual improvement is expected in a number of sectors of the domestic economy served by Natbolt

"Exports are being maintained at the level achieved in the past year, but profits from exports are dependent on the value of the rand"

NAGV5 7/11/90 P

Worker hurt as fumes ignite

Staff Reporter R9

AN engineering worker was injured today when fumes in an empty fuel tank exploded as it was being welded at a factory in Paarden Eiland

The worker had slight burns to his neck and was treated at the scene, and then taken to Woodstock Hospital

A fire brigade spokesman said vapour inside the detached fuel tank of a boat were ignited by the welding torch The explosion blew a hole in the tank but caused no damage to the workshop

Ccawusa suspends further contact with Ellerines

188

Sowetan 17/11/87

THE Commercial Catering and Allied Workers' Union of South Africa (Ccawusa) has suspended further contacts with Ellerines pending a decision of a shop stewards council meeting to be held in Springs on Sunday.

A Ccawusa official, Mr Jackie Masuku, said the union took the decision "because of the company's negative attitude." He said the process of conciliation was hampered by this attitude.

He said Ellerines had failed to co-operate with the State-appointed Conciliation Board "constructively."

"We therefore suspend all communications with Ellerines until our members countrywide, through our shop stewards' council, give definite instructions at the meeting," Mr Masuku said

Ccawusa has indicated that a legal strike of over 6 000 Ellerines workers would start next month if there was no settlement

Ellerines spokesman, Mr Pierre de Villiers, said the company was not opposed to the Conciliation Board procedures and wanted to resolve the dispute.

Ccawusa reiterated its demands of a R200 across-the-board increase and a minimum wage of R550 a month

The Minister of Manpower has appointed the Conciliation Board to settle the dispute between the two parties

32,7c at March 31 — Sapa

Bus Times 24/11/87

Bakery the yeast for Macadams

MACADAMS LTD boosted turnover by an impressive 154% to R16m in the six months to August.

In their comment to the interim results published yesterday, the Macadams board points out that while the acquisition of Aloe Catering Equipment earlier this year boosted turnover by some R4m, the bakery equipment division made the major contribution, with sales up by more than 80% on those recorded in the first six months of last year.

Gross profit margins on sales were reduced, however.

The directors ascribe this largely to problems encountered when integrating the factories of Aloe and Joffe Manufacturing.

As a result, attributable profits lagged turnover growth, climbing by 59% to R467 000. — Sapa

SOWETAN, Wednesday, November 25, 1987

Labour Update

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KGANARE FACTION WOOS ELLERINES

Company asked not to deal with Mtwa faction

THE conflict between two Commercial Catering and Allied Workers' Union of South Africa factions has come to a head again — this time over the Ellerines wage dispute.

Mr Jackie Masuku, official of the Mtwa-led Ccawusa said the Kganare-led Ccawusa group had sent a telex to Ellerines' management requesting it to deal with only their union henceforth

Ccawusa was rocked by a split in June this year when the Papi Kganare-led section of Ccawusa merged with three other smaller unions The Vivian Mtwa group objected to the merger and the adoption of the Freedom Charter as a guiding document

The Congress of South African Trade Unions recognises the merged Ccawusa

Mr Masuku said the Ellerines shop stewards council, which held a meeting in Springs at the weekend, had objected to the Kganare-led Ccawusa's decision to claim sole recognition from Ellerines

"The council said they had never given leave for Ccawusa (Kganare group) to contact Ellerines' management," Mr Masuku said

He said the shop stewards council re-affirmed its support for the Mtwa group He said branches represented at the meeting included Natal, Johannesburg, Pretoria, Klerksdorp and Northern Transvaal.

"Council members feel that the Cosatu decision favoured one group against the other, therefore promoting two unions within the commercial sector This is contrary to the policy of "one union one industry". Mr Masuku said

Mr Kganare, general secretary of the merged Ccawusa, said the Ellerines shop stewards council meeting ended in chaos after some branch stores walked out He said shop stewards who walked out were from Ellerines stores in Pretoria, the Vaal, Eastern Cape and Natal

Mr Kganare said workers respected Cosatu's decision to recognise the union which merged with the Hotel and Restaurant Workers' Union and the Retail and Allied Workers' Union

Ellerines spokesman, Mr Pierre de Villiers, said the Kganare group had requested management for a meeting Ellerines had agreed to meet the union at a date still to be decided

"We are not interested in Ccawusa's internal politics, but are interested in the welfare of our employees," Mr de Villiers said

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DORBYL

Slower pace

Dorbyl's preliminary results for the year to end-September are rather disappointing when seen against the growth rates from other major groups and when compared with Dorbyl's 47% earnings advance in the first half

Turnover for the full year increased 11,8%, considerably less than inflation, and failure to improve margins, combined with a higher tax rate, ensured that the EPS increase was held to a similar level

The main problem was the heavy engineering operation, where losses of several million were incurred "The turnover rise in this section was well below inflation," says chairman Floors Kotzee "We expected an improvement in demand from the mining sector, which failed to materialise " Demand from traditional sources, especially the public sector, was reduced by severe capex cuts

Light engineering up

Not all of the heavy division turned in losses Though profits were lower than in 1986, both transport products and the structural division remained profitable In the structural section reliance on power station construction was reduced and more emphasis was placed on sales to the mining industry

The increase in the light engineering side and the trading operations was substantial and well above the inflation rate, according to Kotzee Improved capacity utilisation also helped Utilisation in the motor division, for example, has risen to a very satisfactory 90%, though in other sections of the group, the figure is as low as 20%

Lower interest rates and reduced borrowings (down R19m to R187m) cut interest paid from R23m to R20m, with an improvement in the debt equity ratio from 38% to 33% But the benefit of this was negated by higher tax, up from 12,6% to 19,7% Tax losses were mostly not in the profitable subsidiaries and so could not be used to reduce tax This problem will continue, and available tax losses of R90m will mostly be used only when the heavy section moves into profit

There seems little prospect of a major improvement in the coming year The group will again rely upon light engineering to provide growth Delayed expenditure by mining houses is expected to come to book this year, while there are still substantial Eskom orders, which will last until 1992

"There will be an improvement in the heavy division this year, and I expect it to become profitable within 18 months to two years," says Kotzee He points out that transport products will have a lower level of turnover, but hopes that the section's profits will remain the same "This will be the worst ever year for buses, because of deregulation — which is stopping everyone from spending — and the competition from taxis "

Mossel Bay will become important in future years Though this will not affect profits in the present financial year, Kotzee says he is confident that the company is well-placed to get a "major portion" of the work He thinks acceptance of tenders could be announced early next year The recently-acquired Sandock shipyard should help, and the first of the seven modules required for Moss Gas is already being built there

But a major factor must be that any profit made by the heavy division will go directly to the bottom line as tax losses are utilised, and margins must increase sharply as utilisation improves

This will be in 1989 In the current year, it seems likely earnings will grow only slightly faster than the 1987 pace of 11,9%, putting the share on a forward dividend yield of around 5,7% This is at a price of R12,15, though, and a bear market which does not react to good results is unlikely to leave the share price intact if the results are considered disappointing

Pat Kenney

LAGGING INFLATION

Year to Sept 30	1986	1987
Turnover (Rm)	1 544	1 725
Pre-tax profit (Rm)	64 2	77,9
Attributable earnings (Rm)	51 4	57,5
Earnings (c)	161,2	180,4
Dividends (c)	55	62

(184)

TRENCOR

Growth from transport

Activities. *Holding company which owns 75% of Hendred-Fruehauf Trailers, the largest manufacturer of trailers in SA Has road haulage interests in the Cape and Namibia, distributes new tyres nationally, retreads tyres, imports microcomputers, has new vehicle franchises in the NW Cape and exports to Indian Ocean islands*

Control. *Mobile owns 47,9% of Trencor*

Chairman: *N I Jowell, vice-chairman M D Marais*

Capital structure· *14,3m ords of 5c each Market capitalisation R135m*

Share market: *Price 950c Yields 3,2% on dividend, 16,2% on earnings, PE ratio, 6,2, cover, 5,1 12-month high, R16, low, 665c Trading volume last quarter, 141 000 shares*

Financial *Year to June 30*

	84	85	'86	'87
Debt				
Short-term (Rm)	12,0	10 3	9,4	7,4
Long-term (Rm)	6,7	16 7	8 0	17,6
Debt equity ratio	0,27	0 36	0,13*	0,18*
Shareholders' interest	0,59	0,59	0,62	0,60
Int & leasing cover	7,2	5,5	31,2+	35,3+
Debt cover	0,8	0,7	2,1*	1,9*

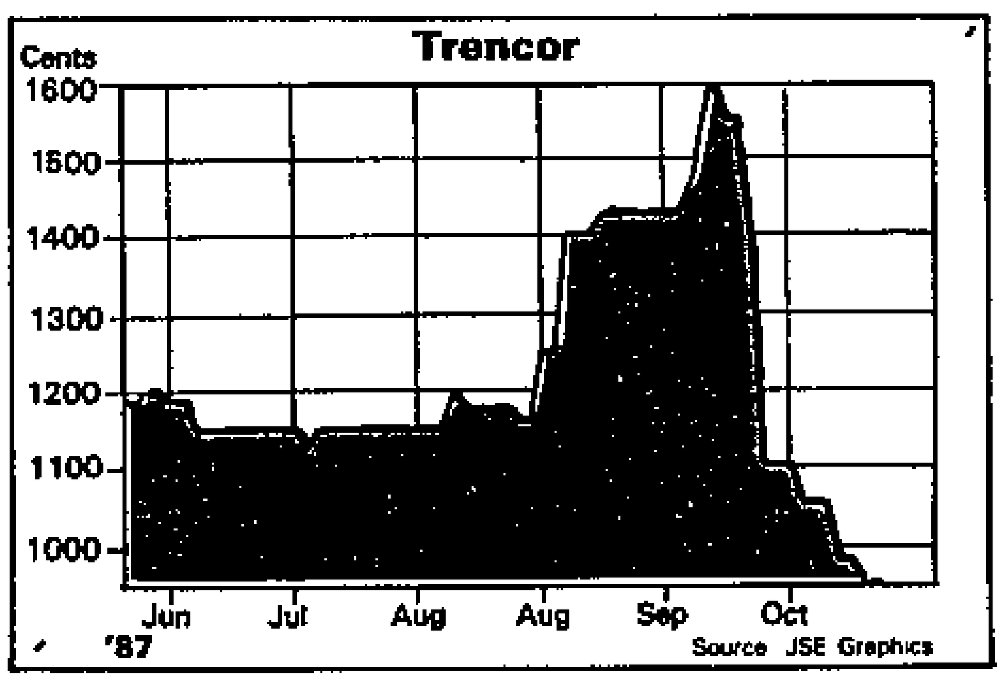
Performance.

	'84	'85	'86	'87
Return on cap (%)	13,2	15,0	16 0+	20,9+
Turnover (Rm)	178	229	278	397
Pre-int profit (Rm)	15,5	19,3	24,1+	37,3
Pre-int margin (%)	8,7	8 4	8 7+	9,4+
Taxed profit (Rm)	11,1	11,7	16 9	24,1
Earnings (c)	69,6	75,9	110,8	154,3
Dividends (c)	16,5	17,5	21,0	30,0
Net worth (c)	425	467	555	662

* Net of cash
\+ Net of interest received

Until recently Trencor's strong earnings growth was derived largely from its trading and allied interests In the 1987 year the manufacturing and transport interests, helped by a more active economy, performed strongly and made the group's business mix more balanced.

Earnings were helped by a 43% rise in turnover to R397m (R278m) which is, says chairman Neil Jowell, "above the growth in the total market" Improvements were also achieved in the operating margin which, net



Trencor's Jowell... acquiring new business

of interest received from unlisted investments, rose to 9,4% (8,7%)

An increase in the tax rate to 34% (28%) pared the advance at bottom line, but EPS still rose 39% ot 154,3c (110,8c) and a 30c (21c) dividend raised compound dividend growth over the past five years to an annualised 15% That explains why the share continues to offer thinner yields than many others in the transport sector Unitrans, which claims to be one of the largest and most successful private freight transportes in SA, yields 4,9%

BETTER BALANCE

Pre-tax profit (%)

	1984	1985	1986	1987
Manufacturing	38,2	21,4	22 4	28,4
Trading and others	29 3	48,9	50,7	39,0
Transport	32,5	29,7	26,9	32,6

Working capital needs have expanded with the profit growth, and Trencor last year raised R5m as a fixed-interest loan (repayable March 1992) Long-term liabilities have further increased after consolidation of an investment holding company Still, with R5,7m cash, debt equity is a low 13% — even after including debentures of R4,5m

After cutbacks and streamlining during the recession, the group is acquiring new business Truckafrica, a freight consolidation and express business, has been acquired subject to the resolution of certain (largely formal) conditions, and agreement in principle has been reached to acquire a 49% interest in Spartan Micro Management, one of the oldest microcomputer dealers in the country And, last month, Trencor got 20% of Presto Containers, a road container carrier now listed in the transportation sector At 60c (against an 80c issue price), Presto yields 6,7 times on dividend

Trencor's business remains closely tied to the export markets of many of its customers Its growing container export business, largely built on export allowances, has had some help from exports to the Far East

Jowell expects the modest market upturn to continue for at least the next year and anticipates a further increase in earnings in most divisions His forecasts have previously been conservative — and may be so this time Should export resistance occur and GDP growth expectations be trimmed, such conservatism may be justified Last year the trailer market remained depressed — though Jowell has seen some improvement of late Container sales may be affected by the weak international container market But demand for tyres improved, though margins remain under strong pressure And lower mining activity in Namaqualand could impede road transport business there

Abolition of export allowances, as suggested by the Margo Commission of enquiry into tax policy, could also affect the group Says Jowell, "Government should give these recommendations very careful study"

On transport privatisation and deregulation he is less enthusiastic than some "Their implementation will provide new opportunities, but judging by the American experience, the industry will undergo considerable difficulties in the process of readjustment"

Dave Edwards

Ellerine gets order against Ccawusa

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27/11/87 B|Day

SUSAN RUSSELL

UNLAWFUL strike action and go-slows by employees of furniture retailers Ellerine Holdings Limited were costing the company about R1m a day in lost sales, it was alleged in papers before the Rand Supreme Court yesterday

Ellerine was granted an interim order against the Commercial, Catering and Allied Workers Union (Ccawusa), restraining it from instigating, inciting or advising employees to go on strike or in any way obstructing workers from doing their jobs

Mr Justice MacArthur granted a rule nisi, calling on Ccawusa and union organiser Jacob Masuku to show cause on February 2 why they should not be interdicted and restrained from inciting employees to go out on or continue a strike in contravention of Act 28 of 1956

In an affidavit, Ellerine human resources GM Pierre Francois Rousseau de Villiers said the strike was unlawful because the prescribed period of 30 days after the Manpower Minister's approval of a conciliation board had not elapsed, nor had the minister received a report of the board's findings Only then would a strike be legal

He claimed Ccawusa had resorted to unlawful industrial action and members of the union were deliberately disrupting and obstructing the company's business

Some members were advising customers to leave or telling debtors not to pay HP instalments

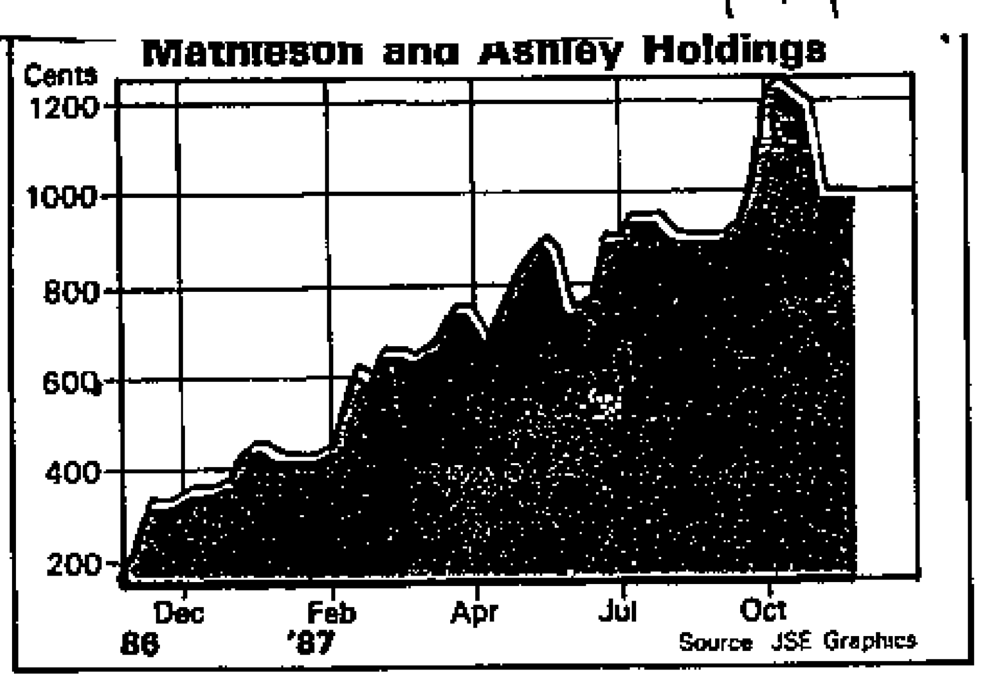
MATHIESON & ASHLEY (96)

Dashing on

Events after balance sheet date have substantially changed Mathieson & Ashley (M & A) After wiping out debt and building up cash, the group is poised for an acquisition in the information technology field

The balance sheet has been strengthened by sale of the Gover Dando/Business Forms division for R4,4m, acquisition of the minor-

FM 27/11/87



Activities: *Manufactures and distributes office furniture and equipment*
Control *Investors Club holds 73% of ordinary share capital Ultimate holding company is the Ringo Family Investment Company*
Chairman: *A L Ringo*
Capital structure: *2,8m ords of 10c, 60 0000 6% cum prefs of R2 Market capitalisation R27m*
Share market: *Price 975c Yields 2,4% on dividend, 7,2% on earnings, PE ratio, 13,9, cover, 3,1 12-month high, 1 250c, low, 320c Trading volume last quarter, 283 000 shares*
Financial: *Year to June 30*

	'84	'85	'86	'87
Debt				
Short-term (Rm)	2,6	3,6	1,0	1,6
Long-term (Rm)	3,4	4,1	3,9	3,7
Debt equity ratio	0,77	1,08	0,53*	0,49*
Shareholders interest	0,38	0,38	0,48	0,49
Int & leasing cover	2,3	0,9	3,3	5,0
Debt cover	0,14	0,04	0,54	0,66

Performance.

	'84	'85	'86	'87
Return on cap (%)	11,6	7,4	18,4	24,0
Turnover (Rm)	26,1	28,3	29,8	38,4
Pre-int profit (Rm)	2,4	1,4	3,4	5,3
Pre-int margin (%)	9,1	4,9	11,5	13,7
Taxed profit (Rm)	0,1	(0,6)	1,7	2,8
Earnings (c)	(22,5)	(34,9)	33,6	70,2
Dividends (c)	—	—	—	23
Net worth (c)	196	160	193	241

* Net of cash

ities' interest in Woodmet for R7,5m, and disposal of Woodmet's property-owning subsidiary for R5,3m to RMS Property Trust

Major divisions are now the furniture manufacturing and Dashing sales operations and the business machines division Divisions that were sold were the printing and property letting operations which together contributed R910 000 to pre-tax profit of R4,5m in the past year

Chairman Winky Ringo says borrowings of R5,3m at June 30 have been repaid, the group has built up cash reserves of just over R1m and arrangements have been made for medium and long-term financing of some R6m

Ringo adds that his family holding company has 51% of Investors Club, which in turn owns 73% of M & A — 22% more than is needed for control The group can therefore use paper valued at some R10m for an acquisition and still retain the present control structure

Ringo says with these facilities available, the company could make "quite a sizeable acquisition " He says the group is investigating several prospects "Mathieson & Ashley (Pty), is in the small business machine market and enjoys a substantial user base of about 12 000 customers," he adds "If we can source the right product for that company, we can turn it into a very substantial growth area Within three to five years more than 50% of our profit will come from business we are not presently involved in "

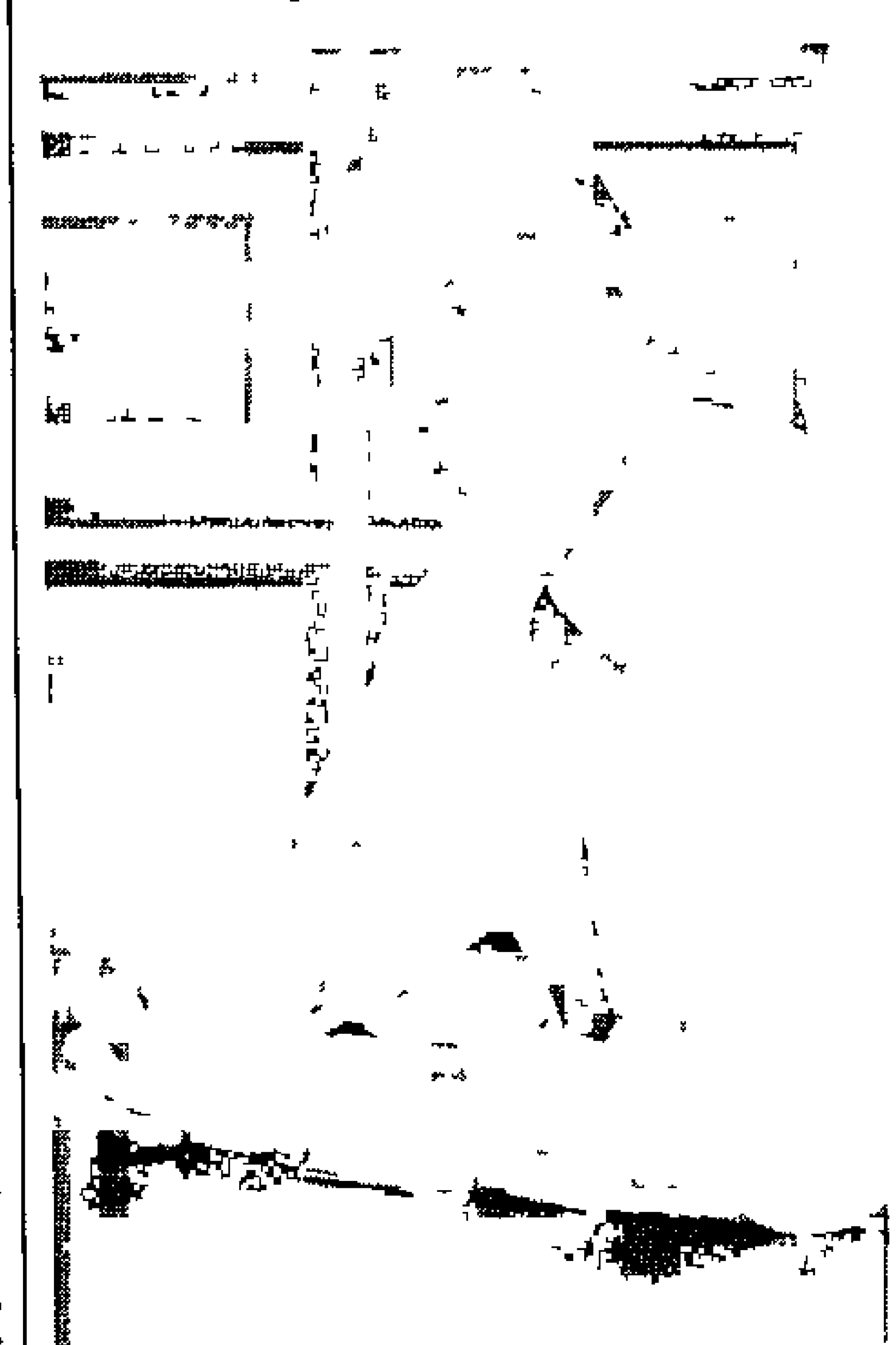
Regarding the current year's performance, he says turnover and profit growth will reach about 30% in the furniture division and about 50% in the business communication and information technology division

This prediction doesn't look excessively ambitious as pro-forma figures indicate that had post year-end events been in effect during the year, bottom line earnings would have been 19% higher at 83,5c primarily because of the reduction in interest payments and the increased earnings resulting from the take-out of Woodmet minorities

However, depending on the size of the pending acquisition and the means of financing, the company will either face a higher interest bill or will have to service a greater number of shares Earnings from the acquisition will have to compensate

That there is confidence in the company's ability to continue the strong earnings growth achieved in 1987 is shown in the performance of the share price It stands 37% above its June 30 level of R7,10 although it has not entirely escaped the market's crash, falling by 19% since Black Monday's level of R12

Pat Kenney



Mathieson & Ashley's Ringo . . . assessing acquisitions

DATES TO REMEMBER

Last day to register for dividends:
Friday Dec 4: Amcoal 80c, Argus 175c, Barlows 70c, CGS Food 31c, CG Smith 100,5c, Crulife 5,1c, HCI 9c, ICS 21c, IGI 10c, IGI Life 2c, NBS Hld 7c, Palamin 80c, RIH 22c, Tig Oats 213c, Verref 24c
Meetings:
Monday Nov 30: Juicy Lucy (Amalgam).
Tuesday Dec 1: Af Cable; Copi (Montreal)
Wednesday Dec 2: Propgroup (Cape Town), Retco (Cape Town).
Thursday Dec 3: Assore, Goldhld, Pepkor (Parow), Picapli (Cape Town), Pick 'n Pay (Cape Town); Picprop (Cape Town).
Friday Dec 4: Curfin, Curries; Edgars (S); Inv Club, Math & Ash
All meetings are in Johannesburg unless otherwise stated
S = Special meeting

Protest over 'T-shirt dismissal'

CMr Times 28/4/87 Labour Reporter 189 1403

WORKERS at the Cas Dalan engineering company in Maitland conducted an hour-long work stoppage yesterday after a shop steward was dismissed, allegedly for wearing a union T-shirt

A spokesman for the Electrical and Allied Workers' Trades Union said the shop steward at the Observatory branch of Cas Dalan, Mr Mortimer February, had been dismissed in the morning for wearing a union T-shirt

He said workers at the Maitland branch began the hour-long work stoppage in solidarity with the shop steward in the afternoon

The union said management had informed the workers that the stoppage was illegal and had told workers to clock out and go home, which they did

A spokesman from Cas Dalan declined to comment yesterday

Cape Times 1/12/87

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White-collar workers at ADE lose jobs

Labour Reporter

ATLANTIS Diesel Engines (Pty) (ADE) retrenched about 40 white-collar workers yesterday as a result of the reduction in demand for heavy commercial vehicles and agricultural machinery, a company spokesman said

One of the retrenched workers, who declined to identify himself, claimed scores more in fact lost their jobs through company "restructuring"

A senior ADE staff member, who declined to be identified, yesterday described the retrenchments as "ADE's annual culling operaton"

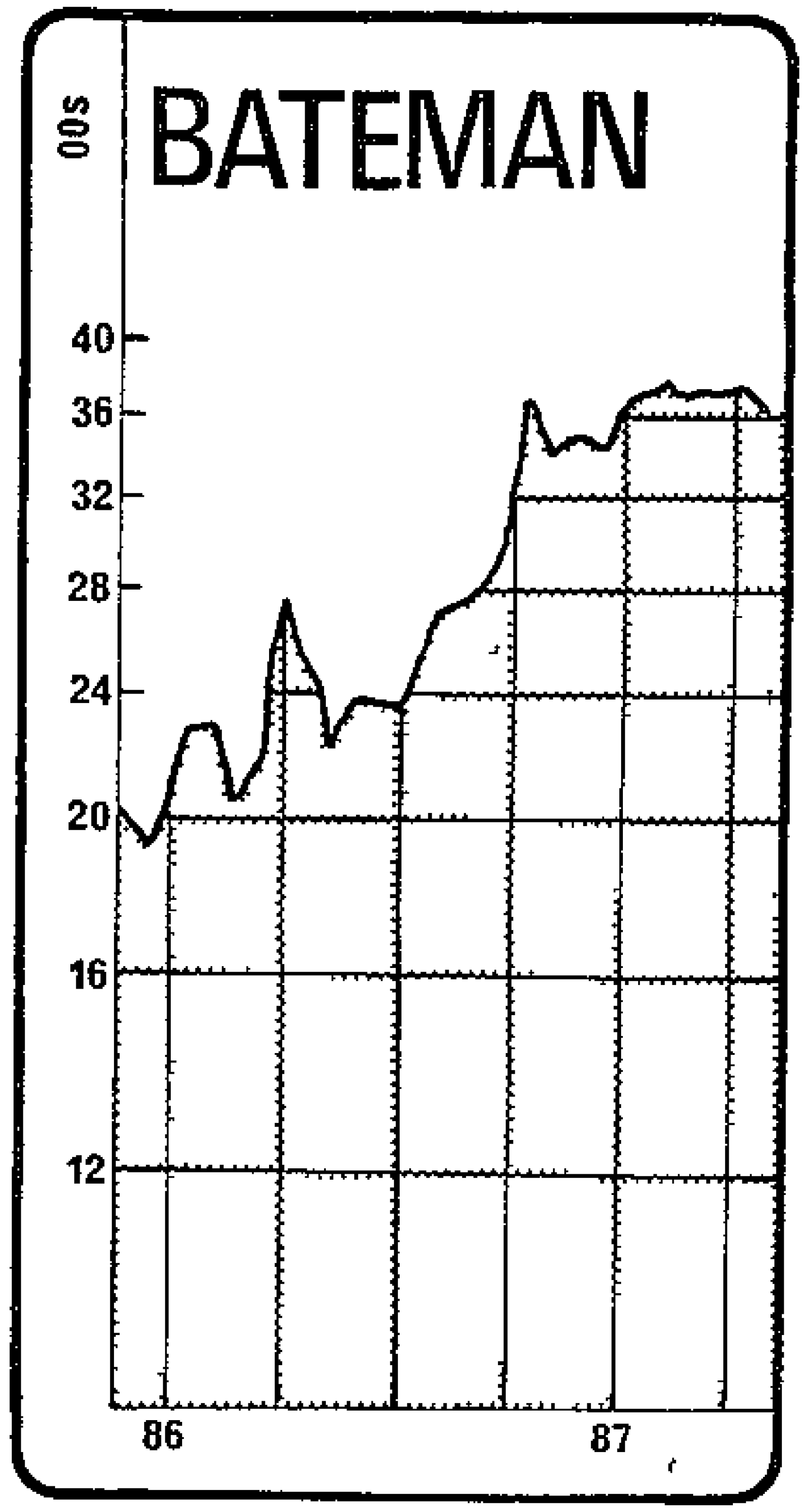
A director of the diesel engine manufacturing company, Mr Frikkie Erasmus, said about 40 people were retrenched and "certain people were taking up alternative offers"

He said it became necessary to modify the structure of the company in order to "adjust to the market needs"

He said the postions affected were all salaried and included management

Mr Erasmus said employees had received a retrenchment package of one month's notice, a pro-rata bonus, and further remuneration linked to years of service ranging from a month to four months

THE QUIET CONTENDER DELIVERS THE GOODS



By Don Robertson

THE low profile engineering and project management group, Edward L Bateman has grabbed the number five spot this year after having been a major contender in years past

Recognised by competitors as market leaders in project management, particularly in the process field, the company has achieved a cash return for shareholders of 66,9% over the past five years

But Bateman's is a company which keeps very much to itself

Publicity-shy chairman Bill Bateman's last statement — for the year to June 30 last — is a scant three paragraphs dealing with the "political arena" and the shortage of skilled labour

The directors' report says little more, save to add that "The performance in the financial year ahead will improve, but a higher effective tax rate will depress earnings to about the same level in real terms as in the past year"

In the past financial year, the company had a turnover of R375-million, up from R359-million to produce R8,5-million of attributable profits, compared with R7,4-million

This equated to earnings of 327,2c, up from 287,9c A total dividend of 118c was paid, compared with 98c The dividend was covered 2,7 times These figures give the company substantially higher yields than others in the same sector

The net asset value has risen consistently since 1978 when it stood at just below 600c At present, the net asset value is just over R21

In keeping with its reticent style, Bateman's has only 2,6-million shares in issue and very seldom trades

The supply of equipment makes up the bulk of the group's profits, with 69% coming from this source Engineering and contracting make up the balance

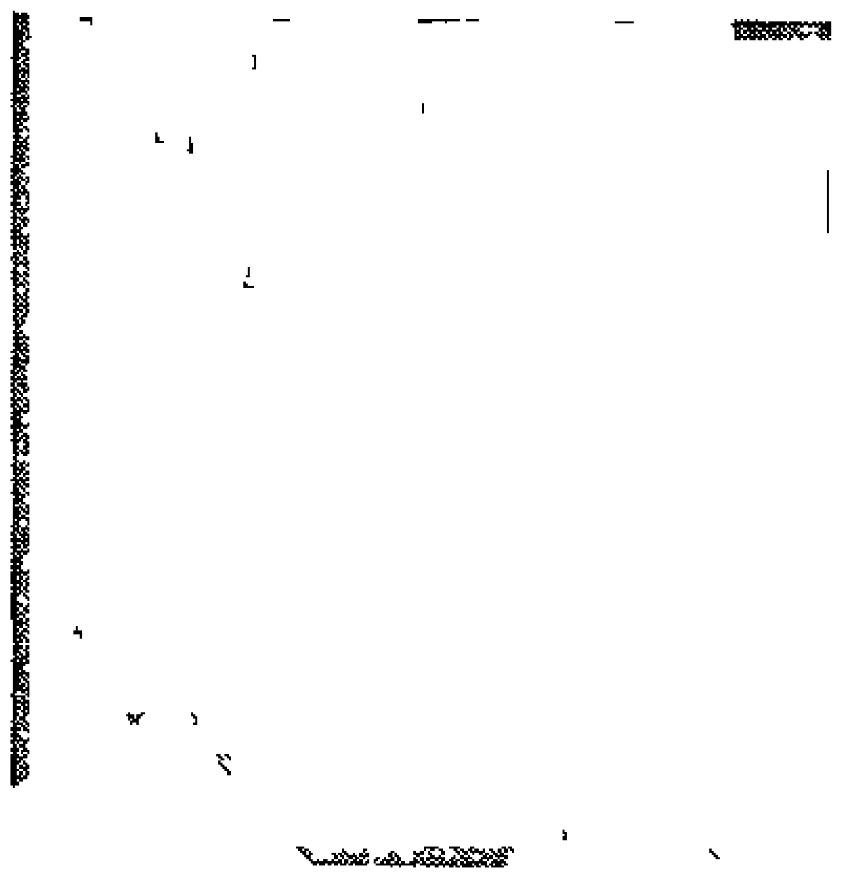
The emphasis on equipment supply is strange, according to competitors The general trend has been for equipment suppliers to switch to project management, but Bateman has gone the other route

Equipment includes trackless transport for mines, drums for processing ore and flotation cells

The strength of the company's balance sheet has helped it through the lean times, although earnings dipped in 1986

At June 30, the company had cash assets of R50,8-million, equivalent to R19,6 a share This compares with the current price of around R23 and borrowings of only R3-million

Bateman's has tied itself up with an overses conglomerate to participate in the Mossel Bay project and this is where the excitement begins With its expertise in engineering design, equipment supply and project management, it is hoping to win a considerable portion of the work



BILL BATEMAN. publicity shy

However, it is unlikely there will be any contribution to profits from this source until the 1988 financial year

The company is also involved in developing the Rustenburg Platinum refinery and the new Lefkochrysos platinum mine It is also erecting a new base metal refinery

Earlier this year, the company sold its 2,2-million shares in Cementation to a financial institution for R13-million The funds are being used in activities more closely related to its traditional activities

A handsome profit was earned on this deal as the shares were sold at 585c, compared with a purchase price of about 350c

Referring to the engineering and contracting division, the directors say that pre-tax profits in the past year were better and that the order book had increased as a result of new contracts

"With the upturn in new business we anticipate an improved pre-taxed profit performance in this sector next year"

Pre-taxed profits in the equipment supply division improved very satisfactorily With the broadened product range the company hopes to improve its position in the market

At 51, the MD is a third generation Bateman in the business, which was started by his grandfather in 1931 He became managing director at the age of 30 in 1966 and immediately introduced an aggressive competitive approach which is still in place today.

This has been achieved by surrounding himself with good people at magagement level

ST TOP 100 COMPANIES SURVEY

6/12/87

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COMPANIES (189) News 9/12/87

R8-million recovery for Tek

From ANN CROTTY

JOHANNESBURG — TEK Corporation, the domestic appliances and consumer electronics subsidiary of Federale, has turned a loss in the first six months of its last financial year into an R8-million profit in the six months to September

The group, which is making a strong recovery from the knock the industry took after the 1985 slump, achieved sales of around R200-million in the first half of financial 1988 and is looking for full-year sales of about R425-million

In the first half it attained an operating margin of around 7 percent and MD Mike Bosworth says that long term, management is targeting an operating margin of 10 percent

HEAVY CAPEX

A 7 percent operating margin represents an operating profit of around R28-million But this was significantly reduced by the interest payments on borrowings of around R90-million

A heavy capital expenditure programme of more than R20-million a year is responsible for much of the borrowings The capex is aimed at increasing local manufacturing capacity as the group continues to reduce dependence on imports

Mr Bosworth believes borrowings will be reduced from the current 120 percent of equity to 60 percent by about 1990 as improved profits bump up the equity base and improved cash flows reduce the need for external borrowing

He says the past two years have been particularily difficult and that while a lot has been done to sort out the problems, this effort was not seen at the bottom line until this review period

The group is being restructured to provide greater focus and a more effective management structure to "respond aggressively and successfully to the business challenges that lie ahead" The change, which will become effective in April 1988, is aimed at creating smaller, more specialised and market-responsive business units within Tek

Management feels this type of structure will be better able to optimise the opportunities that present themselves within the respective markets served

● Recently listed **Transvaal Clothing** (Traclo) has reported a 42 percent increase in turnover and a 93 percent increase in operating profit for the six months to October

Although not listed in the last financial year, the group does provide comparative figures for the 1986 financial interim However, it does not reveal turnover figures

Operating profit of R1,3-million was reduced by interest payments and tax to an attributable income of R636 000, which was 170 percent up on the previous interim figure

The performance at the attributable level was helped this year by interest receipts of R61 000 and a cutback in the proportion of income used to finance borrowings

Earnings a share were 2,9c, based on the total number of shares in issue This eases up to 3,1c if earnings are based on the weighted number of shares in issue in the six months

At the time of the listing, management forecast earnings for the full year of 5,8c a share At this stage it says "The outlook for the second half of the financial year is encouraging and the group's full production is committed, with confirmed customer orders well beyond April 1988 "

DIAGONAL STREET by JULIE WALKER

S/T 13/12/87

New-style Danech looks a bargain

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THE structure of holdings in the Danech stable has been streamlined after consolidation.

Until now there have been four listed companies which fell into two camps The controlling shareholders held 68% of the listed Dicor (Danech Industrial Corporation), which in turn held 59% of Danech Mining Supplies They also held 53% of Glomine (Global Mining & Industrial Corporation), which came to control 95% of Plastall

SIMPLER

The new structure is simpler The controlling shareholders, who comprise group chairman Dan Slabbert, chief executive Neville Parry and Danech (Pty), will now own 81% of Dicor, which will have 59% of Glomine, the manufacturing arm Glomine will be renamed Danglo

Danglo will own 100% of the current Glomine manufacturing companies, 95% of Plastall as it does now, and 51% of Danech

The listings of both Dicor and Danglo will be transferred to the industrial holdings board of the JSE

Dan Slabbert . one of the controllers

The intention will probably be to list separately the manufacturing subsidiaries of Danglo, but Mr Parry says there is no hurry

He says "We like cash, and Danglo's gearing is only 18%"

Danglo is to sponsor the richest event on the Sunshine golf circuit this year

Neville Parry we like cash

The new structure incorporates mining equipment and plastics companies with a combined turnover of R350-million a year Its asset base will be about R132-million

The proposed restructuring is subject to approval from the JSE and minority shareholders Similar offers will be made to minority shareholders of the companies concerned

Mr Parry says that although there will be no direct cost savings, the restructuring has long-term benefits for shareholders They will be able to target more selectively where they wish to be invested

Danglo and Dicor provide an overall interest, Plastall is plastics only and Danech mining supplies

TOO LATE

The terms of the deal were calculated on the basis of the individual companies' weighted earnings for the year to September 1987 The controlling shareholders of Dicor will swop their interest in Danech for Glomine (Danglo) shares 1-for-1,6

They will also exchange their direct interest in Glomine for additional Dicor shares 1,3-for-1

The proposed restructuring is subject to approval from the JSE and minority shareholders. Similar offers will be made to minority shareholders of the companies concerned

Earlier this week Danech was trading at 100c, Dicor at 60c, Glomine at 65c and Plastall at 80c

Off their highs, Danech and holding company Dicor announced results which did not match forecasts This was because of the underperformance of Conway Johnson, acquired last year

AGENCIES

Conway Johnson lost two agencies, which it has replaced with other business, but too late to make up for lost earnings in the last financial year

Mr Parry says the group was overoptimistic about a quick turnaround for Conway Johnson Its bottom line improved from a R3,5-million loss to almost break-even, and it should make a positive contribution from now

The swop of Danech shares for Danglo looks to be in the right ratio at the current share prices, whereas Danglo for Dicor is out of kilter

Danech is on a dividend yield of 8,6% and Dicor 6,5% Dicor shares are on offer at 60c The price should be 50c

After the deal, Dicor's tangible net asset value will increase from 37c a share to 57c Glomine's will fall from 89c to 76c Those of Danech and Plastall are not affected

20/12/87 (189) ST

Truck-makers reject ADE shortage claim

By Don Robertson

TRUCK manufacturers have rejected the excuses offered by Atlantis Diesel Engines (ADE) for the shortage of medium and heavy truck engines.

A rundown of stocks by manufacturers and dealers and the lack of indications that the market will improve sufficiently next year are blamed by ADE for the engine shortage

Because of this, ADE has reduced its stocks and a waiting list of up to nine months for some large engines has developed Road hauliers face problems because they need new trucks to meet increasing demand

Backlog

Industry sources say that if ADE were a private company it "would have made a plan" to overcome the backlog

They say ADE does not understand marketing and pays scant attention to its customers' needs, relying on orders from manufacturers to plan its production

Sales of medium and heavy trucks in the first 11 months of this year have risen by only 5,7% to 11 226 from 10 616 in the same time last year

Wally Rautenbach, ADE's director of marketing and public affairs, says there is a shortage of stocks at manufacturing and dealer levels and supplies in the pipeline of only three months are inadequate to meet demand which has risen sharply in the past few months

He pinpoints the cause of the problem, saying that the decline in medium and heavy truck sales from about 23 000 units in 1984 to fewer than 12 000 in 1986 caused manufacturers and dealers to reduce stocks

Now, faced with rising demand, they are scrambling to build up stocks to levels of five to six months at the expected higher demand rate

Full book

Another problem, says Mr Rautenbach, is reading the market for 1988 and the following year It is impossible to increase component supplies at will

"The industry, including ADE, is forced to take a long-term view of the market or run the risk of gross imbalances in inventory, and more important, instability in employment"

It would be dangerous to respond to the expected increase in demand for 1988 and 1989 before a trend is established

"For the first time in three years, the retail sector of the heavy and medium commercial vehicle markets has a full order book through to May, and in some cases even June and July

"This is encouraging, but we must be cautious Over-optimism for the longer term could result in costly mistakes and excess inventories for manufacturers and component suppliers"

In November 40 managerial members of ADE staff were retrenched Managing director Hartmut Beckurts says the retrenchments became necessary because of the decline in the heavy commercial and agricultural markets

Best prospects in five years

Engineering boosted by big demand

B/Day 29/12/87 (189)

MICK COLLINS

THE battered engineering/manufacturing sector, ravaged by slump conditions for the past five years, has been given a massive boost by an upsurge in consumer demand.

The last-quarter increase in activity looks set to continue into 1988 with analysts reporting a strong increase in business confidence and a flood of equipment orders.

Both suppliers and manufacturers said yesterday the boom was the result of several economic factors, mainly heavy consumer buying

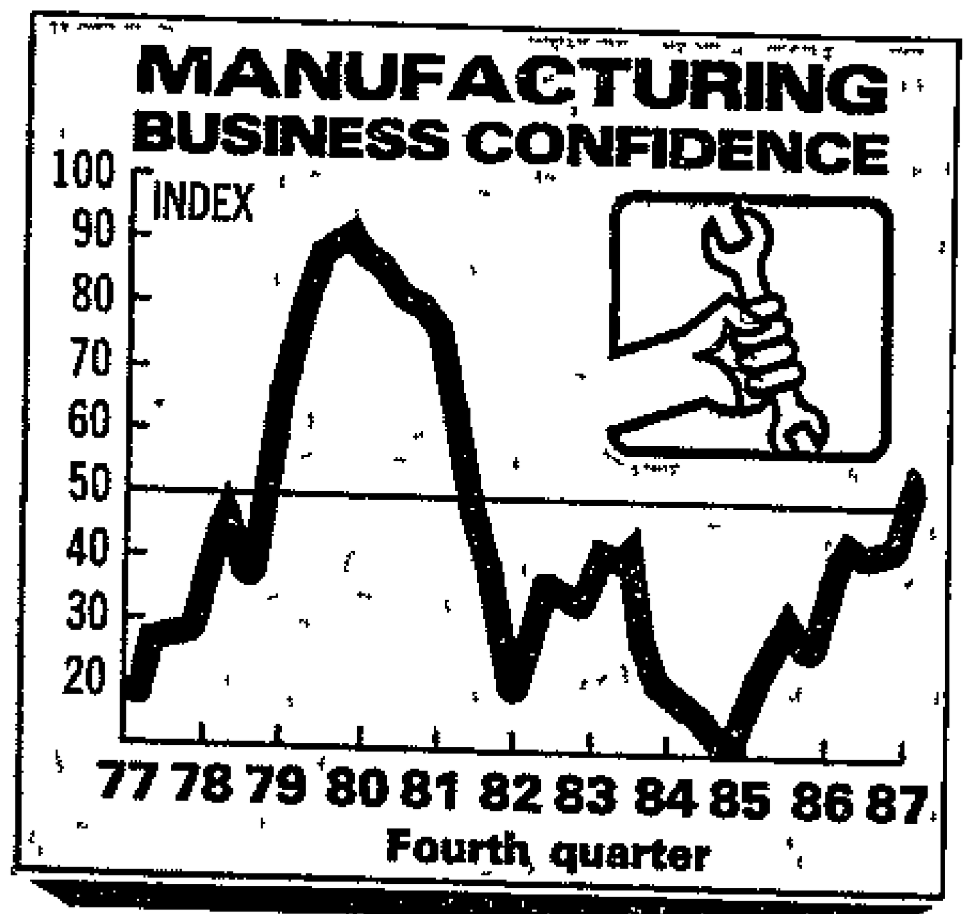
A spokesman for a major machine tool supplier said not since "the halcyon days" of 1981/82 had such substantial orders been received with such large values.

Skok Machine Tools MD Robert Skok said the orders represented a remarkable turnaround in demand in recent months.

"In a six-week period, from the beginning of November to the middle of December, we have received orders totalling R9,5m which include some of the largest orders for CNC machining centres ever placed in SA.

"These sales provide clear evidence of a substantial upturn in demand for machine tools in the engineering industry."

The Bureau for Economic Research (BER) at Stellenbosch University reports that for the first time in nearly five years — 20 consecutive surveys — the majority of manufacturers reflected optimism.



Graphic FI NA KRUCH Source BER

"In fact our index of confidence in respect of the manufacturing sector has jumped 12 points since the previous survey. The improved sentiment is also reflected in their attitude towards investment.

"On the question 'is your planned level of real investment in buildings, machinery and equipment for 1988 higher/the same/lower than in 1987', as many as 49% answered higher as against 19% who reported lower," the BER said.

Much of the renewed confidence — and intentions to invest in the real economy — originated in an increased volume of sales, it said.

"Six out of ten respondents estimate the fourth quarter volume of sales as

● To Page 2

Consumer lift for engineering

(189)

From Page 1

better than the volume of a year ago The vast majority expect this trend to continue throughout the forecast quarter"

The Steel and Engineering Industries Federation of SA (Seifsa) was more cautious and said it hoped that major capital projects in the pipeline, such as the Mossel Bay oil-from-gas plant and the Lesotho Highlands Water Scheme, would lift large sectors of the industry out of recession in the coming year.

In his outlook for 1988, Seifsa president Keith Jenkins said "the likelihood of continued improvement in consumer demand and/or expert performance remain doubtful without a decrease in both taxation and inflation and a major overall improvement in business and public confidence"

"While certain companies in the engineering industry have recorded impressive improvements in their reported results it is important to understand that in many cases the starting base was low and even negative"

The companies showing the best results and giving the best returns, he said, were generally the best managed and the most important to the industry

"These are the companies which now, and in the future, will provide and create the job opportunities"